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Economic Matters Committee

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Unemployment Insurance

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## THE MARYLAND HOUSE OF DELEGATES

ANNAPOLIS, MARYLAND 21401

### **HB 568 – Real Estate Associate Brokers and Salesperson – Compensation – Payment from Title Insurance Producer**

#### **SPONSOR TESTIMONY**

**Cross-file: SB 425**

**House Economic Matters Committee, February 22, 2022**

Chairman Wilson, Vice Chair Crosby and Members of the Committee,

**House Bill 568** seeks to clarify the real estate brokers act regarding payment of commissions.

For nearly 30 years, some real estate brokers have arranged for the commission payment they owe to their agent to be paid at the settlement.

This past year, the Real Estate Commission issued guidance that these “Pay at the Table” arrangements are not permitted by law because an “unlicensed” individual (the settlement agent) is paying the agent. However, the “settlement agent” is not paying the agent, it is the broker who is paying the agent and the settlement agent is only transmitting the funds just like the settlement agent does when he or she transmits a portion of the bank funds to the broker in all transactions.

I believe this bill restores an administrative process that helped some agents receive their payments more timely.

For this reason, I ask for a favorable report for **HB 568**.