



HB 1049 - Maryland Trust Act - Trustee Liability - Release by Interested Parties

Committee: House Judiciary Committee

Date: March 2, 2022

Position: Support

The Maryland Bankers Association (MBA) **SUPPORTS** HB 1049, which would further enable the Maryland Trust Act to ensure timely administration of Maryland trusts through a mutually beneficial reporting process.

As background, in 2020 § 14.5-907 was amended to add a streamlined process to facilitate the prompt settlement of a trust when a trust terminates or when a trustee resigns or is replaced. Specifically, the prior amendment permits a trustee to settle its administration of a trust by providing 5 years of trust statements to interested parties with notice that, absent an objection within 120 days after the notice is sent, the interested parties will be deemed to have released the trustee and consented to and ratified all actions of the trustee. If no interested party submits a written objection within 120 days, the trustee will distribute the trust property to the beneficiaries or successor trustee within a reasonable period of time thereafter. If an interested party submits an objection, the objection may be submitted to the court for resolution or resolved by agreement.

Now, HB 1049 would clarify that the statutory release only applies to interested parties of the trust to whom the notice report was sent. Also, an interested party would have an opportunity to waive the 120 days objection period by sending the trustee a written statement of no objection before the end of the 120-day period.

This legislation provides a positive change that would allow beneficiaries of Maryland trusts to reduce the time delay in trust terminations and distributions. Accordingly, MBA urges issue a **FAVORABLE** report on HB 1049.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing more than 29,000 Marylanders and holding more than \$201 billion in deposits in over 1,300 branches across our State. The Maryland banking industry serves about 4 million customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.