



House Bill 1419 – Criminal Law – Deed Fraud – Prohibition and Deed Fraud Prevention Grant Fund

Position: Favorable with Amendments

The Maryland REALTORS® support HB 1419 which increases penalties for persons committing title and deed fraud.

In 2022, the FBI estimated that title fraud resulted in the loss of nearly \$400 million dollars. Title and deed fraud can take different forms. Sometimes scammers forge a deed and then transfer their fraudulent ownership in the home to an unsuspecting buyer. Other times they will take a home equity loan out on the property and walk away with the proceeds. Scammers will also find a vacant home or land, steal an owner's identity, and transfer the property to an unknowing buyer.

Unfortunately, Maryland homebuyers and property owners have been victims of these scammers. Just in the last few months, there has been an unimproved parcel of land sold in Carroll County and a \$900,000 home sold on the Eastern Shore by people who did not hold title and walked away with the proceeds of sale from the unsuspecting purchaser.

HB 1419 clarifies what type of actions can be prosecuted and clarifies that violation of this law will result in a felony conviction and fines not exceeding \$7,500. The REALTORS® recommend one amendment to clarify that a person may not “knowingly” aid or assist another in violation of this crime. The intent is to ensure that parties like title attorneys are not accidentally caught up in a fraud that they are unaware of.

With this amendment, the REALTORS® recommend a favorable report.

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Amendment:

On page 4, in line 14, after “A PERSON MAY NOT” insert “KNOWINGLY”