



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpmd
facebook.com/aarpmd

HB 1419 – Deed Fraud – Prohibition and Deed Fraud Prevention Grant Fund
FAVORABLE
House Judiciary Committee
March 5, 2024

Good afternoon, Chairman Clippinger and Members of the House Judiciary Committee. I am Karen Morgan, a member of the Executive Council for AARP Maryland. As you may know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 850,000 members. We thank Delegate Amprey for sponsoring this legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities, and fights for the issues that matter most to families such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

HB 1419 clearly establishes what many may have assumed – that it is a crime to fraudulently alter a deed, or claim to sell or attempt to sell property by deceptive means, or through intimidation, threats, or undue influence. It specifies that it is a crime to fraudulently claim to lease or attempt to lease property that belongs to someone else. It also specifies that it is a crime to possess a counterfeit deed knowingly, willfully, and with fraudulent intent. The bill establishes maximum penalties of imprisonment ranging from 3 to 10 years and/or a fine of \$7,500 upon conviction for these offenses.

Deed fraud has not been an especially common crime, but it has happened, in Maryland and elsewhere. WUSA 9 covered a story in 2022 of a couple who bought a house through the foreclosure process in Clinton, Maryland. The couple went to look at their new property only to find other unknown people moving into the house. The unauthorized occupants locked the doors and put up “no trespassing” and “beware of dog” signs. Upon questioning by the police, one of the people claimed that his uncle (whose last name he couldn’t recall) rented him the house. The illegitimate occupiers remained in the home for several days while the State’s Attorney’s Office for Prince George’s County got involved in the situation. It was clear very early on that the people in the house were squatting, that they did not belong there, and that they had no legitimate lease. However, the concern was that occupying a house without a clear right to lease, or a clear right of ownership was more of a civil matter than a criminal matter, since the goal was to evict the people who didn’t belong there and reclaim the property. However, the illegitimate occupiers eventually left the home after being told by police that they had no right to be there.

HB 1419 would eliminate any ambiguity over whether a crime has occurred if a person without authority fraudulently claims to own or lease and/or occupies a property. And the bill establishes

that these acts are not trivial, but serious offenses to which significant criminal penalties attach. In addition, the requirement for the Department of Public Safety to collect disaggregated information on fraud incidents with specific information about the incidences of deed fraud would provide more real-world data about the prevalence of this crime in Maryland. This is a necessary and welcome provision.

In an article published by AARP about deed fraud, it was reported that older people are often at risk of being targeted for this crime. Older people are more likely to own their homes outright, which means there may be a greater amount of equity at stake. The criminal may be betting that an older homeowner is not checking on their home title because they may be less likely to check property information that is often maintained online, or they may have health issues that prevent paying close attention to financial details. Also, older homeowners who own their homes outright may struggle with high property taxes that become harder to manage on fixed incomes. The criminals sometimes promise a homeowner that overdue taxes will be paid if they sign over the property deed. Of course, the criminal fails to pay the property taxes and the homeowner is then at risk of losing their home.

HB 1419 not only clearly establishes criminal offenses for fraudulently claiming to sell or convey a property or knowing possession of a counterfeit deed, among other offenses, but it would also establish wide-ranging jurisdiction to prosecute these crimes in any county where: an element of the crime occurred, the deed is recorded in the county land records, the victim resides, or the victim conducts business (if the victim is not an individual). Under this provision, law enforcement departments would be able to pool resources and collaborate across county lines to investigate these crimes and hold those responsible accountable.

AARP supports HB 1419 and respectfully requests the House Judiciary Committee to issue a favorable report. For questions, please contact Tammy Bresnahan, Director of Advocacy for AARP Maryland at tbresnahan@aarp.org or by calling 410-302-8451.