



Bill Title: House Bill 765, Criminal Law – Counterfeiting and Possession of Counterfeit Lease – Penalty

Committee: Judiciary Proceedings

Date: February 17, 2026

Position: Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 214,000 rental housing homes in over 1015 apartment communities. Our members house over 571,000 residents of the State of Maryland. MMHA also represents over 270 associate member companies who supply goods and services to the multi-housing industry.

House Bill 765 would enhance Maryland’s ability to protect renters, property owners, and housing markets by making it a crime for any person to knowingly create, assist in creating, or possess a counterfeit lease or rental agreement with intent to defraud another. This fills a critical gap in existing criminal law by directly addressing fraudulent lease documents — a tactic increasingly used in rental scams that harm individuals and destabilize communities.

The Issue of Rental Fraud: Rental fraud is widespread and growing. Since 2020, the Federal Trade Commission (FTC) has received reports of nearly 65,000 rental scams with about \$65 million in reported losses, and this likely represents only a fraction of actual harm because most scams go unreported¹. National surveys have found that more than 5 million renters have lost money to rental fraud, with median losses around \$400 and one in three victims losing more than \$1,000.² Bad actors often use fake listings and fraudulent lease documents to elicit deposits and first month’s rent for properties that either do not exist or which they have no authority to rent.

Industry surveys show that 93.3% of property managers have experienced rental fraud, including falsified documentation such as income, identity, or lease terms. In many cases, fraudulent leases are paired with falsified supporting documents so fraudsters can appear legitimate during initial tenant screenings.³

Impact on Residents: Victims of rental fraud often suffer significant economic harm, loss of security deposits, and may be left without housing — particularly harmful in tight

¹ Federal Trade Commission, Rental scams hit home with \$65 million in reported losses, December 22, 2025

² Better Business Bureau, Is That Rental Listing Real?, December 2019

³ NMHC Pulse Survey: Analyzing the Operational Impact of Rental Application Fraud and Bad Debt, January 24, 2024



housing markets. Without explicit criminal penalties, perpetrators can exploit legal ambiguity to evade accountability.

Current Law Does Not Adequately Address Counterfeit Lease Documents: Under existing Maryland law, general fraud statutes may cover misrepresentation and theft, but there is no standalone criminal prohibition tied specifically to the creation, dissemination, or possession of fraudulent lease or rental agreements intended to defraud. House Bill 765 fills this gap by creating a clear statutory offense focused on this behavior.

By criminalizing counterfeit leases with intent to defraud, House Bill 765 gives prosecutors a specific tool to pursue fraudsters leveraging false documents in rental schemes. Criminal penalties act as a deterrent, signaling that fraudulent misrepresentation of lease agreements is a serious offense with real consequences.

For these reasons, we respectfully request a favorable report on House Bill 765.

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