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**By: Delegate Fulton**

Requested: August 21, 1996

Introduced and read first time: January 8, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Brokers - Recommendations of Title Insurance Companies - Limitations**

3 FOR the purpose of providing that certain providers of real estate brokerage services may  
4 not recommend a title insurance company unless the buyer is provided with a  
5 certain number of options and full disclosure of certain interests held by the real  
6 estate brokerage services provider and certain affiliates; and generally relating to  
7 limitations on recommendations of title insurance companies by providers of real  
8 estate brokerage services.

9 BY repealing and reenacting, with amendments,  
10 Article - Business Occupations and Professions  
11 Section 17-607  
12 Annotated Code of Maryland  
13 (1995 Replacement Volume and 1996 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Business Occupations and Professions**

17 17-607.

18 (a) (1) Except as otherwise provided in [subsection (b)] PARAGRAPH (2) of  
19 this [section] SUBSECTION, in a real estate transaction involving a single-family  
20 dwelling, a real estate broker, an associate real estate broker, a real estate salesperson, or  
21 a lawyer acting as a real estate broker may not require a buyer, as a condition of  
22 settlement, to employ a particular:

23 [(1)] (I) title insurance company;

24 [(2)] (II) settlement company;

25 [(3)] (III) escrow company;

26 [(4)] (IV) mortgage lender, or financial institution as defined in the Financial  
27 Institutions Article; or

28 [(5)] (V) title lawyer.

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1            [(b)] (2) A seller may not be prohibited from offering owner financing as a  
2 condition of settlement.

3            (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IN A  
4 REAL ESTATE TRANSACTION INVOLVING A SINGLE-FAMILY DWELLING, A REAL  
5 ESTATE BROKER, AN ASSOCIATE REAL ESTATE BROKER, A REAL ESTATE  
6 SALESPERSON, OR A LAWYER ACTING AS A REAL ESTATE BROKER MAY NOT  
7 RECOMMEND THAT A BUYER EMPLOY A PARTICULAR TITLE INSURANCE COMPANY.

8            (2) A RECOMMENDATION MAY BE MADE IF THE REAL ESTATE BROKER,  
9 ASSOCIATE REAL ESTATE BROKER, REAL ESTATE SALESPERSON, OR LAWYER  
10 ACTING AS A REAL ESTATE BROKER PROVIDES THE BUYER WITH:

11                            (I) THE NAMES OF AT LEAST THREE TITLE INSURANCE  
12 COMPANIES; AND

13                            (II) WHEN THERE IS OR SHOULD BE KNOWLEDGE ON THE PART OF  
14 THE INDIVIDUAL MAKING THE RECOMMENDATION, DISCLOSURE OF THE  
15 FOLLOWING:

16                            1. THE FINANCIAL OR PERSONAL INTERESTS OF THE  
17 INDIVIDUAL IN THE RECOMMENDED TITLE INSURANCE COMPANY;

18                            2. THE FINANCIAL OR PERSONAL INTERESTS HELD BY ANY  
19 REAL ESTATE BROKER, ASSOCIATE REAL ESTATE BROKER, REAL ESTATE  
20 SALESPERSON, OR LAWYER ACTING AS A REAL ESTATE BROKER WHO WORKS IN  
21 THE SAME OFFICE AS THE INDIVIDUAL MAKING THE RECOMMENDATION;

22                            3. THE FINANCIAL OR PERSONAL INTERESTS HELD BY THE  
23 SPOUSE, CHILD, CHILD'S SPOUSE, PARENT, SPOUSE'S PARENT, SIBLING, OR SIBLING'S  
24 SPOUSE OF THE INDIVIDUAL MAKING THE RECOMMENDATION; AND

25                            4. THE FINANCIAL OR PERSONAL INTERESTS HELD BY THE  
26 SPOUSE, CHILD, CHILD'S SPOUSE, PARENT, SPOUSE'S PARENT, SIBLING, OR SIBLING'S  
27 SPOUSE OF A REAL ESTATE BROKER, ASSOCIATE REAL ESTATE BROKER, REAL  
28 ESTATE SALESPERSON, OR LAWYER ACTING AS A REAL ESTATE BROKER WHO  
29 WORKS IN THE SAME OFFICE AS THE INDIVIDUAL MAKING THE RECOMMENDATION.

30            SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 October 1, 1997.