

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 960 (Delegate Conaway)
Environment and Transportation

Landlord and Tenant – Lease Agreements – Estoppel Certificates and
Subordination, Non-Disturbance, and Attornment Agreements

This bill prohibits a landlord from using a lease or form of lease containing, or requiring as a provision of a lease that a tenant agree to sign, an estoppel certificate or a subordination, non-disturbance, and attornment (SNDA) agreement. However, a landlord may request that a tenant agree to sign such certificates or agreements separately from a lease agreement. The bill specifies that a presently existing obligation or contract right may not be impaired in any way by the bill.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State government operations or finances.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: There are no specifically relevant current law provisions in statute.

Additional Comments: Generally, an SNDA agreement is an agreement among a tenant, a landlord, and a landlord's mortgagee (lender). SNDAs primarily state the understanding among the parties concerning their respective liens and their rights and obligations to one another if a lender exercises its foreclosure rights under a mortgage.

An estoppel certificate provides a lender with confirmation of the terms of a lease such as the amount of rent and the expiration date of the lease agreement.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2021
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