



**Senate Bill 781 – Real Property – Residential Contract of Sale – Buyer Identification**

**Position: Oppose**

The Maryland REALTORS® supports the intent and goal of this legislation to reduce discrimination in the homebuying process. However, the REALTORS® believe SB 781 will create unintended issues for buyers.

Specifically, SB 781 permits buyers to submit real estate offers anonymously so that a seller may not be able to discern the buyer's race, ethnicity or other protected class status. To achieve that, the bill will permit buyers to sign contract proposals as "Client A" and file with their own real estate broker a separate document that identifies them. Once a seller has reviewed the contract proposal and wants to accept it, the buyer's agent could then identify the buyer to the seller.

Our concerns with the bill follow:

- While this could prevent some sellers who would discriminate against a buyer from doing so because the seller cannot identify the buyer, there will likely be more sellers who reject the offer because they are uncomfortable signing a contract with an unidentified party. These sellers will have some offers with identified parties and some without.
- Unless, the industry can agree on a technology to obscure a signature which is then revealed upon seller acceptance, the process the bill lays out could run counter to the current process of offer and acceptance. Because the buyer does not actually sign the contract, the seller is not agreeing to a contact offer but to a proposal. The seller would then sign the proposal which then becomes the offer which the buyer may accept or reject. While some may ask what harm can result from flipping the offer and acceptance process, we believe that some buyers would use this process to make offers on multiples properties at the same time, potentially tying up properties and thus preventing sellers from accepting other bona fide offers. This would be particularly true in tight housing markets.

The state of New York recently passed a fair housing disclosure so that sellers are aware of fair housing laws as a way to address discrimination. The REALTORS® believe such a disclosure in listing agreements could help.

The REALTORS® welcome an opportunity to explore other alternatives to addressing discrimination in the homebuying process but believes this bill will result in some unintended consequences.

**For more information contact [bill.castelli@mdrealtor.org](mailto:bill.castelli@mdrealtor.org), [susan.mitchell@mdrealtor.org](mailto:susan.mitchell@mdrealtor.org), or [lisa.may@mdrealtor.org](mailto:lisa.may@mdrealtor.org)**