

Testimony in Favor of SB781

Kimberly Kepnes, Monument Sotheby's International Realty

Dear Senator Hayes,

Please accept this letter of testimony in support of SB781 which proposes to remove the requirement the buyer (s) name (s) must be included in the residential contract of sale.

We have had many innovations in our real estate industry.

Technology is probably the most significantly impacting.

We started with 3-part NCR forms, moved into PDFs and now have cloud-based contract form libraries.

We have come from meeting with clients at midnight to review proposals and to collect signatures to sending documents electronically for remote review and digital authorization.

It has taken us from listing books of homes for sale available only inside individual real estate offices to multiple listing services with global syndication.

It has taken us from wondering when people will be ready to sell, to subscribing to sites which score and predict the action.

It has taken us from wondering who the buyer is, to being able to know nearly everything about them.

This is why we are here today; the knowing everything about the buyer and the buyer having no ability to protect their rights by maintaining their anonymity.

This didn't happen all at once; it has been happening gradually, with technology chipping away at our privacy.

Although this bill is the first of its kind for our real estate industry, it is not the first in the name of the protection of privacy and privacy rights.

SB781 states a buyer (s) name (s) can reveal information about their race and ethnicity which are included among federal protected classes.

And with a little digging, a name can reveal much more.

Recognizing this fact is the first step to understanding the importance of SB1095.

Our Maryland Annotated Code provides for the protection of federal and locally protected classes.

Our Realtor Code of Ethics and Maryland Real Estate Commission Standard of Practice require Realtors to promote and protect the interest of their clients and to hold confidential factors which may compromise their interests.

And if a name can reveal information which can compromise a buyer's interests in purchasing housing, should that name then not be protected and safe-guarded?

What is more precious than a name?

It is a roadmap to who we are, from where we have come, who we hold dear, what is important to us, what has happened in our lives, and what we value.

This information is not only irrelevant when it comes to decisions related to housing, it may encourage or support discriminatory decisions, implicit or otherwise.

And, given a Real Estate environment where more than one offer to purchase may be presented to a seller-client, factors other than price and term start to surface; and

Given Realtors are charged to protect the public,

Does it then not become increasingly important to hold in private a buyer (s) name (s) which can hold in it factors which might be used to compromise their interest or violate fair housing.

Interestingly, Maryland Realtors, in its December issue of the Maryland Realtor magazine made a statement to its members to explain the implications of a buyer “love letter” which is being used by consumer-buyers in an effort to make their offer stand out from other offers.

In the article, “Beware the Love Letter!”, the Director of Legal Affairs for Maryland Realtors states, “Fair housing laws are intended to eliminate discrimination and ensure that anyone who is qualified can purchase real estate. A love letter can trigger implicit bias, putting a seller in the position of preferring a buyer based on a “feeling” or something that the seller “just likes” about the buyer. Accepting an offer based on anything other than the price, terms and merits of the offer might violate fair housing law. Realtors should discourage the use and consideration of buyer love letters to reduce the risk of discrimination.”

SB781 to remove the requirement the buyer(s) name (s) must appear in the contract of sale will, similarly, reduce the risk of implicit bias and discrimination in housing decisions.

And if this bill cannot reach enough in the name of fair housing because of implicit bias, itself, we need only look to technology and data mining as the advances which serve to reveal compromising personal information about consumer buyers which necessitate action for their protection.

SB781 will protect and promote the privacy of our consumer buyers and will further the protection of fair housing.

Approval of this bill affirms our appreciation that buyer consumers need protection in housing and anonymity provides the path.

As technology and innovation continue to support our industry, so, too, should the innovation to protect our consumer buyers.

We will continue to conduct business as we have with SB781 approved.

Realtors will continue to represent buyers and prepare offers in their best interests.

Buyers will continue to provide pre-qualification and approval letters to verify their ability to purchase.

Sellers will continue to seek the advice of their Realtor representatives on price and terms.

What will change with SB781 approved, is the buyer (s) name (s) will be safe-guarded so the interests of our buying public can be protected.

Thank you,

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