

SB678_ Real Property- Buyer Privacy Testimony.pdf

Uploaded by: Antonio Hayes

Position: FAV

ANTONIO HAYES
Legislative District 40
Baltimore City

Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony of Senator Hayes in Support of Senate Bill 678: Real Property - Residential
Contract of Sale - Buyer Privacy**

February 22, 2022

Dear Chairman Smith and Members of the Judicial Proceedings Committee,

Senate Bill 678 was heard by this committee last year. As this Assembly seeks to continue to evaluate legislation with heightened scrutiny to ensure equality and inclusion, **SB 678** is an opportunity to correct Maryland's discriminatory history when it comes to real estate transactions.

Many believe Maryland laid the grounds for racial discrimination pertaining to real estate, with the Baltimore City Council's passing of the Residential Segregation bill in 1910. This was the first bill in our country that used government legislation in order to separate races through real estate. Other states then adopted similar redlining measures based on the bill that began in Maryland. We have an opportunity to take a step in the right direction and correct the laws that have negatively impacted our marginalized communities.

SB 678 allows a buyer to mask their identity when entering into a contract of sale for a single-family residential real property that is executed with the services of a real estate broker. During a sale, a client can sign their initials instead of their full name. The purpose of this bill is to protect people from discrimination in real estate transactions. It will also modernize the Fair Housing Laws that are already in place and continue to expand the protections afforded to our citizens.

The removal of a buyer's name in a real estate transaction protects people against discrimination. A person's name can be representative of their culture, race, familial status or other ties to their background. This can lead to bias, either explicit or implicit, in our real estate system.

Housing is an important step to social mobility and all people deserve to be treated fairly during the process of real estate transactions. Housing has a tremendous impact on the quality of

life and wellbeing of our residents. **SB 678** is a step in the right direction for the continued protection that the Fair Housing Act of 1968 sought to preserve.

Thus, I request a favorable report on **SB 678**.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes", with a stylized flourish at the end.

Senator Antonio L. Hayes
40th Legislative District - MD

TESTIMONY 2:22.pdf

Uploaded by: Julia Martin Frazier

Position: FAV

Good afternoon,

I am Julia Martin Frazier, a licensed Realtor affiliated with Monument Sotheby's International Realty. Thank you for the opportunity to speak in support of this very important proposed legislation that would protect buyer privacy in residential real estate transactions in the State of Maryland.

I consider the work that I do largely an act of public service. There is very little that affects each one of us more than the place we call home. As an agent who works with the public to assist people in finding a home, I take this responsibility very seriously. As a member of the National Association of Realtors, I am proud to uphold the tenets of the Code of Ethics, and all it stands for. In its preamble, the Code states this:

“Under all is the Land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. REALTORS should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership.”

This is a lofty premise, and one that inspires me, and guides the work that I do on a daily basis. We, as Realtors, work with ALL kinds of people, and it is our duty to represent each and every one fairly, and to the best of our abilities. Included in our Code of Ethics, is the directive that Realtors shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familiar status, national origin, sexual orientation, or gender identity. In practice, then, we in turn must guide our sellers and buyers to follow this code as well.

When an offer to purchase a home is presented to our seller clients, one of the first bits of information they see is the name of the prospective buyer. Immediately, the stage is set for bias, implicit or otherwise. Whether the name is unpronounceable to them, perhaps even familiar as someone they might know, or is revealing in any manner of ways, there is likely some information revealed that could possibly sway or guide their decision in choosing someone to be the next owner of their home.

I have seen this in practice time and again. One instance in particular, truly focused my attention on the possible discrimination that can happen when a name is presented on an offer to purchase.

My buyer clients offer was declined, even after we were clearly told verbally by the listing agent that our offer was the strongest among multiple bids, and would be accepted. It was only until the names of my Nigerian clients were

presented on the contract of sale, when they learned that they had in fact not won the bid. Can we prove that this was the reason the offer was declined? As in the case of many instances of implicit bias, no, we cannot prove it. Therein lies the sensitivity of this issue, and the need to remove even the shadow of a doubt that any bias has the opportunity to enter into the decision making process of our seller clients deciding whom to sell their home to.

With names like Chukwuebuka Ummuna, Chukwunonso Ummuna and Cynthia Torres Delgado, my clients had felt one too many times that they were being treated unfairly, or perhaps with unfair bias. Winning a bid in this very competitive market is difficult enough, and if I could assure clients that the reason they didn't win an offer had nothing to do with them personally, that would be an enormous step in the right direction.

I thank you for your time, and consideration of passing this important legislation that would change the direction of unbiased residential real estate transactions, benefitting all who participate.

SB678 Written Testimony Kepnes 2022.pdf

Uploaded by: Kimberly Kepnes

Position: FAV

The Honorable Senator Antonio Hayes
James Senate Office Building, Room 222
11 Bladen St., Annapolis, MD 21401

Reference: Support for Senate Bill 678 (SB678)

Dear Senator Hayes,

Please accept this letter of support for the approval of SB678 which proposes to prohibit the name of the home buyer on the residential contract of sale in the State of Maryland during the negotiation period.

A name can reveal information about a person including race, ethnicity, religion or national origin.

A name can also be used to uncover more information about that person including, *but not limited to*; gender, sexual orientation, familial status, handicap and political affiliation.

- Pursuant to State Government Article, §20-702, Annotated Code of Maryland, it is the policy of the State of Maryland to provide for fair housing throughout the State, to all its citizens, regardless of race, color, religion, sex, familial status, national origin, marital status, sexual orientation, gender identity, disability, or source of income.
- Pursuant to the Code of Maryland, 09.11.02.02 A, Relations to Client, it is the policy of the State of Maryland to direct real estate licensees to protect and promote the interests of the client which is of absolute fidelity to the client's interest and is primary.
- Pursuant to the National Association of Realtors Code of Ethics and Standards of Practice, 1.9, it is the obligation of Realtors to preserve confidential information about a client.

Removing the name of the home buyer from the residential contract of sale during the negotiation period supports the State of Maryland policies, the protection of buyer rights under the Law and the Realtor Code of Ethics.

SB678 recognizes the need for home buyer privacy rights during negotiation and will serve to protect the selling public from making discriminatory decisions in housing, implicit or otherwise, based on factors which may be revealed in either the name of the home buyer, alone, or factors which can be researched when the name of the home buyer is provided.

Sincerely

Kimberly Kepnes

Kimberly Kepnes,
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MBIA Letter of Opposition SB 678.pdf

Uploaded by: Lori Graf

Position: UNF

February 22, 2022

The Honorable William C. Smith Jr.
Senate Judicial Proceedings Committee
Miller Senate Office Building,
2 East Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: SB 678 Real Property - Residential Contract of Sale - Buyer Identification

Dear Chairman Smith:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB 678 Real Property - Residential Contract of Sale - Buyer Identification**. **MBIA Opposes** the Act in its current version.

This bill would authorize a buyer who executes a residential contract of sale for a single family residential real property with a real estate broker to be identified by a “client” designation rather than their name. MBIA respectfully opposes this measure. While we appreciate the intent of the bill is to prevent discrimination, we believe that this will have the opposite effect. In cases that there are multiple offers on a property, a buyer is more likely to select a buyer that can be identified. We support legislation that prevents discrimination but have serious concerns about this method.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Judicial Proceedings Committee

SB 678_Consumer Protection Division_Letter of Conc

Uploaded by: Kira Wilpone-Welborn

Position: INFO

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February 21, 2022

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 678 – Real Property – Residential Contract of Sale – Buyer Identification
(Letter of Concern)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) is concerned about unintended consequences of Senate Bill 678 sponsored by Senator Antonio Hayes. Despite its admirable goals of preventing discrimination in the sale of single-family residential properties, as introduced, Senate Bill 678 would require that residential contracts of sale not contain the name of the individual buyer using the services of a real estate broker but rather identify only the buyer’s real estate broker. The identity of an individual buyer may be a material fact the omission of which could affect consumers selling residential real property and the community at large.

Maryland law currently has protections in place to ensure sellers do not discriminate against buyers in residential real estate transactions based upon race, color, sex, religion, disability, familial status, sexual orientation, gender identity, or national origin,¹ and the Division recognizes the goal of Senate Bill 678 to further strengthen those protections. However, passage of this bill requiring brokerages to conceal the identity of individual buyers of residential real property could unintentionally facilitate unfair, abusive, or deceptive trade practices. For example, this provision could be used by individual buyers to facilitate illegal flipping schemes or equity stripping that would cause substantial harm to consumer sellers.

Additionally, as written, this bill would make legal and mandatory the omission of an important material fact in these transactions impeding consumer sellers’ ability to make informed decisions as to whether to ratify a residential contract of sale. Moreover, the legal and financial

¹ Maryland Code, State Government §§ 20–704-705; and Maryland Real Estate Broker’s Act, Bus. Occ. & Prof. Art. §§ 17-525, 17-526, and 17-608.

The Honorable William C. Smith, Jr.
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challenge of voiding a fully executed contract of sale in a transaction involving an anonymous buyer who entered the contract with malicious or fraudulent intent could be quite significant. Finally, although the bill would only apply to those buyers who chose to engage the services of a real estate broker, that fact does not negate or outweigh the potential harm to consumer sellers.

For these reasons, the Division expresses its concerns with Senate Bill 678 to the Judicial Proceedings Committee.

cc: The Honorable Antonio Hayes
Members, Judicial Proceedings Committee