

February 28, 2023

The Honorable Brian J. Feldman  
Senate Education, Health & Environmental Affairs Committee  
Miller Senate Office Building,  
2 West Wing 11 Bladen St.,  
Annapolis, MD, 21401

**RE: MBIA Letter of Opposition SB 651 Real Estate – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts**

Dear Chairman Feldman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB 651 Real Estate – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts**. MBIA **Opposes** the Act in its current version.

This bill would require that a real estate broker or escrow agent distribute trust money to a purchaser within 30 days of the termination of a real estate transaction. MBIA respectfully opposes this measure. It is not uncommon for real estate terminations to require significant legal untangling and legal scrutiny which require a long time period. Typically in the event of these legal difficulties the trust money is placed in the care of a court appointed entity until the dispute can be resolved. This bill would interfere with this legal process and force premature distribution of funds before legal issues are resolved.

Often both sides of a dispute claim that the other side mis in default meaning and the escrow agent is the main finder of facts. It is important that there be an opportunity to establish a clear fact pattern and a determination of which entities in the contract are at fault before requiring a distribution of funds. This bill also fails to address the issue of a buyer being unable or unwilling to complete the transaction in a timely manner but refusing to pull out of the contract. This bill could create a situation in which the funds are distributed back to the buyer while the seller is still prohibited from selling to a new buyer.

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](mailto:lgraf@marylandbuilders.org).

cc: Members of the Senate Education, Health & Environmental Affairs Committee