

# Testimony SB651.pdf

Uploaded by: Jill Carter

Position: FAV



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Testimony of Senator Jill P. Carter**

**In Favor of SB651- Real Estate – Real Estate Brokerage Services and  
Termination of Residential Real Estate Contracts  
(The Anthony Moorman Act)**

**Before the Judicial Proceedings Committee  
on February 28, 2023**

**Chair Smith, Vice-Chair Waldstreicher, and Members of the  
Committee:**

- **I am pleased to introduce SB 651, which revises the process for home buyers to have their deposit money returned when they need to cancel a real estate contract.**
- **When buyers properly exercise a contingency within the contract to purchase a home, they are entitled to receive their earnest money deposit back. There are several provisions of Maryland Code which also dictate that deposits must be returned to the buyer if certain actions are not taken.**

- **Unfortunately, this is not what is happening in practice. Today, a buyer's deposit money can be held up for years just through a seller's refusal to sign the deposit release form.**
- **This is particularly hard on first-time homebuyers and lower-income buyers who have saved for a long time to make the purchase and who do not have other sources of money to put together another deposit to purchase a home.**
- **It also hurts the title companies and real estate brokers who have to hold these disputed accounts.**
- **Frank D. Boston, III, Nick D'Ambrosia and William A. Castelli with the REALTORS® can discuss this issue and how this bill can resolve it.**

**I therefore ask for a favorable report on SB651.**

Sincerely,

A handwritten signature in blue ink that reads "Jill P. Carter". The signature is written in a cursive, flowing style.

Jill P. Carter, Esq.

**SB 651\_realtors\_fav.pdf**

Uploaded by: William Castelli

Position: FAV



**Senate Bill 651 – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts (The Anthony Moorman Act)**

**Position: Favorable**

Maryland REALTORS® support SB 651 which changes the way earnest money deposits are returned to buyers when they cancel a real estate purchase.

The provisions of SB 651 apply when a buyer cancels a real estate transaction through one of the contingencies listed in the contract. This can include: a bad inspection; a low appraisal that doesn't support the mortgage amount; failure to receive condo or HOA documents; and other factors. If the buyer properly exercises the contingency, the buyer should receive their deposit money back from the title company or real estate broker who is holding the funds in an escrow account.

The current process to return a buyer's deposit involves the seller signing a release form for the broker or title company to initiate the return of the funds. Unfortunately, many sellers choose not to sign the deposit money release even when the buyer is legally entitled to the money because the sellers are upset about the transaction falling apart. When the seller fails to sign the release, the broker or title company is unable to act upon the deposit account. Almost all real estate companies in Maryland hold deposit money they have never been able to return to buyers because of this.

More importantly this leaves the buyers without access to the funds that they have saved to use in the transaction and may prevent them from making an offer on another property. Without the seller's signature on the release, the buyer must go to court to recover their earnest money deposit. If the buyer only put down a couple thousand dollars, attorney and court costs will extinguish the funds.

SB 651 flips this process so that when a buyer exercises one of the named contingencies in the bill, the holder of the deposit must return the money to the buyer within 30 days after being notified in writing by the buyer. If the seller feels they are owed the money as damages, they would be required to go to court to claim the money.

SB 651 is the process currently used in Pennsylvania, that has eliminated much of the potential litigation between buyers and sellers given that buyers are almost exclusively the party exercising a contingency.

One of the biggest hurdles buyers face in today's market is saving enough cash to settle on a house. SB 651 will help all buyers, but it will help these cash-strapped first-time buyers the most from having their deposit funds tied up for months and sometimes years.

The REALTORS® encourage a favorable report.

**For more information contact [lisa.may@mdrealtor.org](mailto:lisa.may@mdrealtor.org) or  
[christa.mcgee@mdrealtor.org](mailto:christa.mcgee@mdrealtor.org)**

**MBIA Letter of Opoosition SB 651.pdf**

Uploaded by: Lori Graf

Position: UNF

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

# **MLTA SB 651 written testimony [opposed unless amen**

Uploaded by: Mark Glazer

Position: UNF





1783 Forest Drive, Suite 305, Annapolis, MD 21401 | (443) 620-4408 ph. | (443) 458-9437 fax

**To:** Members of the Senate Judicial Proceedings Committee  
**From:** MLTA Legislative Committee  
**Date:** February 27, 2023  
**Subject:** **Senate Bill 651** – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts (The Anthony Moorman Act)  
**Position:** **Opposed Unless Amended**

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**The Maryland Land Title Association (MLTA) opposes Senate Bill 651** – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts (The Anthony Moorman Act).

The Maryland Land Title Association (MLTA) is a professional organization working on behalf of title industry service providers and consumers and is comprised of agents, abstractors, attorneys, and underwriters. MLTA OPPOSES SB 651 unless it is amended.

The Maryland Land Title Association (MLTA) opposes unless amended Senate Bill 651 – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts (The Anthony Moorman Act). The bill seeks to address a problem with a relatively small amount of residential real estate transactions in which a seller refuses to allow an earnest money deposit to be returned to the buyer when the buyer believe they have a right to terminate the contract.

The problem with statute as drafted is that when disputes arise, they are fact specific with each party believing their interpretation of the facts to be the correct interpretation. The escrow holder in turn is caught in the middle. Current law requires the escrow holder to have an agreement executed by the parties that tells the escrow holder what to do with the funds being held. The bill as drafted appears to allow the buyer to terminate the contract at will under the guise of “a contingency” that was not met. But just as often as a buyer seeking a release of the deposit, a seller seeks to terminate the contract for the buyer’s failure to perform. And just as often as the seller refuses to release the deposit to the seller, the buyer will refuse to execute a termination of the contract so the seller may move on and sell the property to another.

Thus, in order to even the playing field, and protect the escrow holder who is caught in the middle of the dispute, the MLTA proposes the attached amendments to the bill.

For these reasons, the MLTA opposes Senate Bill 651 unless amended.

# **SB 651 MSBA RPSC Oppose [with Proposed Amendments]**

Uploaded by: William O'Connell

Position: UNF

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**To:** Judicial Proceedings Committee

**From:** Legislative Committee of the Real Property Section Counsel

**Date:** February 27, 2023 [Hearing Date February 28, 2023]

**Subject:** **SB 651** – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts (The Anthony Moorman Act)

**Position:** **Oppose**

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The Real Property Section Counsel of the Maryland State Bar Association (MSBA) **opposes Senate Bill 651** – Real Estate Brokerage Services and Termination of Residential Real Estate Contracts (The Anthony Moorman Act). The bill seeks to solve a relatively small problem with disputes over earnest money deposits in a residential real estate transaction with a solution that swallows purpose for the earnest money deposit in the first place. If the buyer can simply demand the deposit back because a “contingency” was not met, has the deposit been made at all?

When a dispute arises under the contract of sale of residential property, they are fact specific and cannot be handled by a statutory one size fits all solution. If the parties wish to allow the buyer to claw back the earnest money deposit on demand, they should put that in the escrow agreement that is required under current law.

When these fights do occur, it is never a clear contingency “out;” one side always claims the other was somehow in default, either by failing to take some act to meet the contingency or otherwise intentionally preventing it from occurring. The escrow agent will still end up being a fact finder who is dragged into at least a consumer complaint process, if not more. The decision as to what to with the deposit when people are fighting is never clear.

In addition, often buyers fail to timely complete the transaction or otherwise perform but refuse to terminate the contract so the seller can move on. This bill does nothing to address that issue.

And the definition of “contingency” should not list specific events; instead, it should match Black’s Law Dictionary’s definition: “An event that may or may not happen.” Many of the listed “contingencies” make no sense in the context of this bill (*e.g.*, among others, “back up contracts”, “sales of residential unimproved land”, “deeds and titles”, and “building permits, feasibility studies, or other contingencies related to condominium notice”.) And some are already required by law (*e.g.*, among others, “homeowner’s association notices” and “property condition disclosures and disclaimer act notices”).

Furthermore, the various statutes involved in the bill are not harmonized. For example, Business Occupations and Professions Article §17-501 identifies an “owner” and “beneficial owner”, but the

802 for which there is no such definition. And in the proposed new subsection (d) to §10-802, it is unclear how one could comply with §10-802, the written agreement required thereby, and the new §10-803. If the written agreement allows the buyer to receive the deposit back on demand, then why would we need the proposed §10-803? But if the agreement does not allow the buyer to receive the deposit back on demand, then how could the escrow holder comply with both the agreement and the new statute?

If “deposit fights” are truly a problem, the better approach would be to provide mandatory statutory damages or attorney’s fees to the prevailing party in an action seeking the return of the deposit or termination of the contract for bad actors who fail to execute releases when they should have done so. This would be a much more efficient and fair method of addressing the problem and would invoke less conflicts of law and of existing professional duties.

For these reasons, the Real Property Section Counsel of the MSBA **opposes SB 651** and asks for an **unfavorable report**. If the committee believes this bill is something Maryland needs, we offer the attached amendments that would at least level the playing field for the seller, purchaser, subsequent purchasers, and the escrow holder. Thank you for your consideration.

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By: **Senator Carter**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate – Real Estate Brokerage Services and Termination of Residential**  
 3 **Real Estate Contracts**  
 4 **(The Anthony Moorman Act)**

5 FOR the purpose of requiring a real estate broker or an escrow agent to distribute trust  
 6 money to a purchaser within a certain period of time if the purchaser terminates a  
 7 real estate transaction; requiring a holder of trust money who makes a certain  
 8 distribution to notify the seller and purchaser of the distribution within a certain  
 9 period of time, subject to a certain exception; establishing that a holder of trust  
 10 money may not be held liable for a certain decision to distribute the trust money;  
 11 authorizing a claimant aggrieved by a certain distribution of trust money to file a  
 12 claim in the District Court; and generally relating to real estate brokerage services,  
 13 escrow agents, and trust money.

14 BY repealing and reenacting, without amendments,  
 15 Article – Business Occupations and Professions  
 16 Section 17–101(a) and (l) and 17–501  
 17 Annotated Code of Maryland  
 18 (2018 Replacement Volume and 2022 Supplement)

19 BY repealing and reenacting, with amendments,  
 20 Article – Business Occupations and Professions  
 21 Section 17–505  
 22 Annotated Code of Maryland  
 23 (2018 Replacement Volume and 2022 Supplement)

24 BY repealing and reenacting, with amendments,  
 25 Article – Real Property  
 26 Section 10–802  
 27 Annotated Code of Maryland  
 28 (2015 Replacement Volume and 2022 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
 [Brackets] indicate matter deleted from existing law.

**\*sb0651\***

1 BY adding to  
2 Article – Real Property  
3 Section 10–803  
4 Annotated Code of Maryland  
5 (2015 Replacement Volume and 2022 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That the Laws of Maryland read as follows:

8 **Article – Business Occupations and Professions**

9 17–101.

10 (a) In this title the following words have the meanings indicated.

11 (1) “Provide real estate brokerage services” means to engage in any of the  
12 following activities:

13 (1) for consideration, providing any of the following services for another  
14 person:

15 (i) selling, buying, exchanging, or leasing any real estate; or

16 (ii) collecting rent for the use of any real estate;

17 (2) for consideration, assisting another person to locate or obtain for  
18 purchase or lease any residential real estate;

19 (3) engaging regularly in a business of dealing in real estate or leases or  
20 options on real estate;

21 (4) engaging in a business the primary purpose of which is promoting the  
22 sale of real estate through a listing in a publication issued primarily for the promotion of  
23 real estate sales;

24 (5) engaging in a business that subdivides land that is located in any state  
25 and sells the divided lots; or

26 (6) for consideration, serving as a consultant regarding any activity set  
27 forth in items (1) through (5) of this subsection.

28 17–501.

29 (a) In this Part I of this subtitle the following words have the meanings indicated.

30 (b) “Beneficial owner” means a person, other than the owner of the trust money,

1 for whose benefit a real estate broker or, on behalf of a real estate broker, an associate real  
2 estate broker or a real estate salesperson is entrusted to hold trust money.

3 (c) "Trust money" means a deposit, payment, or other money that a person  
4 entrusts to a real estate broker or, on behalf of a real estate broker, to an associate real  
5 estate broker or a real estate salesperson to hold for:

6 (1) the benefit of the owner or beneficial owner of the trust money; and

7 (2) a purpose that relates to a real estate transaction involving real estate  
8 in the State.

9 17-505.

10 (a) A real estate broker shall maintain trust money in an account authorized  
11 under this Part I of this subtitle until:

12 (1) the real estate transaction for which the trust money was entrusted is  
13 consummated or terminated;

14 (2) the real estate broker receives proper written instructions from the  
15 owner and beneficial owner directing withdrawal or other disposition of the trust money;

16 (3) on an interpleader filed by the real estate broker, a court orders a  
17 different disposition; or

18 (4) the owner or beneficial owner of the trust money fails to complete the  
19 real estate transaction for which the trust money was entrusted and the real estate broker,  
20 in the real estate broker's sole discretion, decides to distribute the trust money in  
21 accordance with subsection (b) of this section.

22 (b) (1) Prior to distributing the trust money under subsection (a)(4) of this  
23 section, the real estate broker shall notify both the owner and the beneficial owner that the  
24 real estate broker intends to distribute the trust money to the person who, in the good faith  
25 opinion of the real estate broker, is entitled to receive the trust money in accordance with  
26 the terms of the real estate contract which established the trust.

27 (2) The notice required under this subsection shall:

28 (i) be in writing;

29 (ii) state whether the trust money will be paid to the owner or  
30 beneficial owner; and

31 (iii) disclose to the owner and the beneficial owner that:

32 1. either party may prevent distribution of the trust money

1 under subsection (a)(4) of this section by submitting a protest within 30 days from the date  
2 the notice was delivered or mailed by the real estate broker; and

3                   2.       if neither party submits a protest within 30 days from the  
4 date the notice was delivered or mailed by the real estate broker, the trust money will be  
5 distributed in accordance with the real estate broker's notice.

6                   (3)       The notice required under this subsection shall be:

7                           (i)       hand delivered to both the owner and beneficial owner; or

8                           (ii)      sent by certified mail, return receipt requested, and regular mail  
9 to both the owner and beneficial owner.

10                   (4)       (i)       An owner or beneficial owner may protest the distribution of the  
11 trust money.

12                           (ii)      An owner or beneficial owner shall submit the protest to the real  
13 estate broker holding the trust money within 30 days from the date the notice required in  
14 paragraph (1) of this subsection was delivered or mailed by the real estate broker.

15                           (iii)     A protest shall be in writing and either:

16                                   1.       hand delivered; or

17                                   2.       sent by certified mail, return receipt requested, and  
18 regular mail.

19                   (5)       (i)       If a written protest is received by the real estate broker, the real  
20 estate broker shall distribute the trust money in accordance with subsection (a)(1), (2), or  
21 (3) of this section.

22                           (ii)      If no written protest is received by the real estate broker holding  
23 the trust money, the real estate broker shall distribute the trust money in accordance with  
24 the terms of the notice as required in this section.

25                   **(C) IF A PURCHASER OF RESIDENTIAL REAL ESTATE, AS DEFINED IN §**  
26 **10-802 OF THE REAL PROPERTY ARTICLE, TERMINATES A REAL ESTATE**  
27 **TRANSACTION IN ACCORDANCE WITH § 10-803 OF THE REAL PROPERTY ARTICLE,**  
28 **THE REAL ESTATE BROKER SHALL DISTRIBUTE THE TRUST MONEY TO THE**  
29 **PURCHASER IN ACCORDANCE WITH THIS SECTION.**

30                   **[(c)] (D)**       When the duty of the real estate broker to maintain trust money in an  
31 account terminates, the real estate broker promptly shall account for all trust money.

32                   **[(d)] (E)**       A real estate broker may invest trust money:



1 (1) as the owner and beneficial owner of the trust money instruct in  
2 writing; or

3 (2) as the real estate broker, owner, and beneficial owner of the trust  
4 money agree in writing.

5 **[(e)] (F)** A real estate broker may not be liable to an owner or beneficial owner  
6 of the trust money for:

7 (1) a good faith decision to distribute the trust money under subsection  
8 (a)(4) of this section; or

9 (2) a decision not to distribute the trust money under subsection (a)(4) of  
10 this section.

11 **[(f)] (G)** An agreement under which a real estate broker is entrusted with the  
12 trust money shall contain a statement that the real estate broker may distribute the trust  
13 money in accordance with subsection (b) of this section if the owner or beneficial owner of  
14 the trust money fails to complete the real estate transaction for which the trust money was  
15 entrusted.

## 16 **Article – Real Property**

17 10–802.

18 (a) (1) In this section the following words have the meanings indicated.

19 (2) “Escrow agent” means a person engaged in the business of residential  
20 real estate settlements who receives trust money.

21 (3) “Residential real estate” means:

22 (i) Real property improved by four or fewer single–family dwelling  
23 units that are designed principally and are intended for human habitation; and

24 (ii) Unimproved real property zoned for residential use by the local  
25 zoning authority of the county or municipality in which the real property is located.

26 (4) “Trust money” means a deposit made by a purchaser in connection with  
27 a residential real estate sales transaction that the purchaser delivers to an escrow agent to  
28 hold for the benefit of the purchaser and the seller.

29 (b) This section does not apply to:

30 (1) Banks, trust companies, savings and loan associations, savings banks,  
31 or credit unions;

1 (2) A homebuilder registered under Title 4.5 of the Business Regulation  
2 Article who is engaged in the initial sale of residential real estate; or

3 (3) A real estate salesperson, associate real estate broker, or real estate  
4 broker licensed under Title 17 of the Business Occupations and Professions Article.

5 (c) When an escrow agent agrees to hold trust money, the escrow agent shall  
6 enter into a written agreement with the purchaser and seller of the residential real estate  
7 that contains the following information:

8 (1) The amount of the trust money delivered to the escrow agent;

9 (2) The date the trust money was delivered to the escrow agent;

10 (3) The responsibility of the escrow agent to notify the purchaser and seller  
11 of trust money returned due to dishonored funds;

12 (4) The conditions under which the escrow agent may release the trust  
13 money; and

14 (5) The process to address disputes over the release of the trust money.

15 **(D) IF A SELLER OR PURCHASER TERMINATES A REAL ESTATE**  
16 **TRANSACTION IN**  
17 **ACCORDANCE WITH § 10-803 OF THIS SUBTITLE, THE ESCROW AGENT SHALL**  
18 **DISTRIBUTE THE TRUST MONEY IN ACCORDANCE WITH THE**  
19 **REQUIREMENTS OF § 10-803 NOTWITHSTANDING ANY WRITTEN AGREEMENT TO THE**  
20 **CONTRARY.**

21 **[(d)] (E)** Nothing in this section may be construed to prohibit an escrow agent  
22 from transferring trust money to another escrow agent if the purchaser of the residential  
23 real estate for which the trust money is held chooses the escrow agent to whom the trust  
24 money is transferred.

25 **10-803.**

26 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
27 **INDICATED.**

28 **(2) (I) "CONTINGENCY" MEANS A REQUIREMENT**  
29 **INCLUDED IN** A  
30 **CONTRACT OF SALE FOR RESIDENTIAL REAL ESTATE OR IMPOSED BY LAW THAT**  
31 **ALLOWS A SELLER OR PURCHASER TO TERMINATE THE CONTRACT ON THE FAILURE**  
32 **OF SUCH REQUIREMENT TO BE COMPLETED:**

19                   **(3) “HOLDER OF TRUST MONEY” MEANS:**

22                   **(I) AN ESCROW AGENT AS DEFINED IN § 10-802 OF THIS**  
23 **SUBTITLE; OR**

24                   **(II) A LICENSED REAL ESTATE BROKER AS DEFINED IN § 17-101**

1 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

2 (4) "RESIDENTIAL REAL ESTATE" HAS THE MEANING STATED IN §  
3 10-802 OF THIS SUBTITLE.

4 (5) "TRUST MONEY" HAS THE MEANING STATED IN § 10-802 OF THIS  
5 SUBTITLE.

6

**(B) (1) IF A SELLER OR PURCHASER TERMINATES A RESIDENTIAL REAL ESTATE CONTRACT FOR FAILURE OF A CONTINGENCY TO BE COMPLETED, SUCH PARTY SHALL NOTIFY THE HOLDER OF TRUST MONEY AND THE OTHER PARTY BY DELIVERING AN ACKNOWLEDGED WRITING SETTING FORTH THE CONTINGENCY THAT DID NOT OCCUR AND DEMANDING THE TRUST MONEY.**

**(2) IF A SELLER OR PURCHASER OBJECTS TO THE DEISTRIBUTION OF TRUST MONEY AS DEMANDED, SUCH PARTY SHALL NOTIFY THE OTHER PARTY AND THE HOLDER OF TRUST MONEY BY DELIVERING AN ACKNOWLEDGED WRITING SETTING FORTH THE BASIS FOR THE OBJECTION WITHIN 10 DAYS OF RECEIPT OF THE DEMAND AND FILE AN ACTION IN A COURT OF COMPETENT JURISDICTION OR DEMAND MEDIATION WITHIN 30 DAYS THEREAFTER.**

**(3) IF NO SUCH OBJECTION IS TIMELY MADE, NO ACTION IS TIMELY FILED, OR NO DEMAND FOR MEDIATION IS TIMELY MADE, THE HOLDER OF THE TRUST MONEY SHALL DELIVER THE TRUST MONEY AS DEMANDED AND THE RESIDENTIAL REAL PROPERTY MAY BE MARKETED AND SOLD WITHOUT THE CONSENT OF THE PURCHASER AND SUBSEQUENT PURCHASERS SHALL BE PROTECTED AGAINST ANY CLAIM MADE AGAINST THE SELLER BY THE PURCHASER.**

**(4) IF THE SELLER OR PURCHASER FILES AN ACTION OR DEMANDS MEDIATION, THE HOLDER OF THE TRUST MONEY MAY CONTINUE TO HOLD THE TRUST MONEY UNTIL RECEIPT OF A COURT ORDER DIRECTING THE DISTRIBUTION OF THE TRUST MONEY, OR UNTIL RECEIPT OF WRITTEN MUTUAL INSTRUCTIONS FROM SELLER AND PURCHASER OR FILE AN ACTION FOR INTERPLEADER IN A COURT OF COMPETENT JURISDICTION AND DEDUCT UP TO \$1,000 FOR THE ACTUAL COSTS AND ATTORNEY'S FEES INCURRED IN DOING SO.**

**(5) NO ACTION, CLAIM OR PROCEEDING MAY BE MADE AGAINST A HOLDER OF TRUST MONEY AND A HOLDER OF TRUST MONEY SHALL NOT BE LIABLE FOR A DECISION TO DISTRIBUTE THE TRUST MONEY UNDER THIS SUBSECTION.**

**(C) A SELLER OR PURCHASER MAY FILE AN ACTION FOR DAMAGES IN A COURT OF COMPETENT JURISDICTION AGAINST THE OTHER FOLLOWING THE TIME LIMITS PRESCRIBED IN THIS SECTION, BUT NO SUCH ACTION SHALL AFFECT TITLE TO THE RESIDENTIAL REAL PROPERTY.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 October 1, 2023.