



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**

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.