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To: Members of the Judicial Proceedings Committee
From: MLTA Legislative Committee
Date: March 6, 2024 [Hearing date: March 7, 2024]
Subject: **SB 962 - Real Property - Contracts of Sale - Title Report Requirement**
Position: **Opposed**

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 962 - Real Property - Contracts of Sale - Title Report Requirement.**

The proposed bill would add require that the Seller of any real property located in the state provide the buyer with a title report and affidavit by the person making the title search. The buyer is then given until 5 days *after closing* to rescind the contract. Once a real property sale is consummated by the delivery of a deed in exchange for payment, the contract is completed, and there is no longer a contract to rescind. Additionally, such rescission would be absolutely unworkable, and would require lenders, title insurance underwriters, and all others involved in a real estate transaction to unwind the transaction after funds have been released and distributed. And if seller has already use the proceeds of the sale to purchase another property, which is almost always the case, it may not even be possible. Closing costs in the state would greatly increase as the risk of this occurring is priced into the real estate closing process.

Among the reasons permitting a buyer to rescind a real estate purchase contract are the existence of a lien, which would be any property that has a deed of trust on it, *even if such lien were to be paid at settlement and released*. In essence, this bill would make contracts to purchase real property meaningless and subject to recission up to 5 days post sale.

Buyers are able to protect themselves from the problems this bill seems aimed at by the purchase of title insurance.

MLTA adopts and incorporates the written testimony of the Maryland State Bar Association into MLTA's opposition to this bill.

The Maryland Land Title Association asks that you return an **UNFAVORABLE recommendation** for Senate Bill 962 - Real Property - Contracts of Sale - Title Report Requirement.