

DATE: January 28, 2025

BILL NO.: House Bill 13

TITLE: Residential Contracts of Sale – Buyer Privacy Rights

COMMITTEE: House Environment and Transportation Committee

Letter of Support

Description of Bill:

House Bill 13 requires the name of an individual buyer to be omitted from a contract of sale for single-family residential real property executed with the services of a real estate broker prior to acceptance of the contract by the seller. The bill's provisions do not apply to a purchase by a corporate or other business entity, or a fiduciary acting for the benefit of a third party.

Background and Analysis:

Existing state and federal fair housing laws prohibit discrimination based on race, color, religion, sex, familial status, national origin, marital status, sexual orientation, gender identity, disability, or source of income. While this information is generally absent from real estate contracts of sale, the purchaser's name can often be used to deduce or assume race, gender, or national origin, allowing bias – whether conscious or unconscious – to influence the transaction process.

Removing the purchaser's name from the contract of sale ensures that a seller's decisions regarding the sale of the property are based solely on objective criteria such as the purchase price, financing terms, and purchaser's ability to complete the transaction, rather than characteristics of the purchaser's identity. This helps level the playing field, minimize the potential for discrimination, and mitigates the risk of costly legal disputes or claims of bias.

House Bill 13 reduces the risk of bias and discrimination in real estate transactions while protecting the seller's contract rights by requiring the individual purchaser to execute with his or her broker an agreement that identifies the purchaser as an individual and contains statements affirming that the purchaser has not been convicted of fraud in connection with a real estate transaction and intends to occupy the property as the purchaser's principal residence.

By protecting buyer privacy until contract terms have been agreed upon, House Bill 13 will increase compliance with existing anti-discrimination laws and policies while protecting a seller's contract rights and without adding unnecessary complication to the transaction process.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on House Bill 13.