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HB 1456 – Consumer Protection — Residential Property Advertisement — Ownership Verification

Hearing before the House Economic Matters Committee,
March 10, 2026

Position: FAVORABLE

To the Honorable Members of the Economic Matters Committee:

[Community Legal Services](#) (CLS) is a nonprofit legal services organization that provides free legal services to income-eligible Marylanders. CLS is a designated Access to Counsel in Evictions (ACE) provider, through which CLS has assisted thousands of tenants in housing matters, with a goal of helping our clients access and maintain housing stability. **We urge a favorable report on House Bill 1456 to help prevent individuals and families searching for a place to live from falling prey to an all-too-common rental property scam.**

In addition to assisting clients with landlord tenant matters, CLS also has a substantial family law and domestic violence practice. **Our clients often face significant barriers when they are forced to find alternative living situations**, especially since they often must find something new quickly. Some are forced out of their current housing situation by eviction or unsafe property conditions, and others are forced out due to domestic violence or other family/roommate issues. Many who find themselves in this situation have **poor credit** reports, or **minimal or negative rental histories**, and may have **criminal records**. Many are **young, with minimal to no credit or rental histories**. All these factors can make getting accepted for new housing nearly impossible, and **this is where fraudsters step in, taking advantage of people who are desperate to get a roof over their heads and have very few options.**

Here's how it commonly works: scammers find and break into a home where no one appears to be living. Often they are completely empty, and they appear for all intents and purposes to be waiting for a new tenant. They take pictures and post them online in a "For Rent" ad. Upon inquiry by a prospective tenant, they may provide an address and have the person making the inquiry go by to take a look. Sometimes, they don't even do that – creating "phantom listings," they simply post stolen pictures, claiming they depict the property the scammer has listed for rent, and then they simply move forward with the "rental agreement" before the prospective tenant has even seen the property in person. The ad will list a below-market rent amount or possibly offer an incentive of a sixth month free (something they will likely never have to make good on because the truth that they do not own the property may come to light before that time passes). Regardless of the promises, the goal is to get an unsuspecting prospective tenant to pay them the most money possible up front in order to move in.

Once they have locked in the new tenant's agreement (aka, the "mark's" agreement) to rent the property, the mark is told to pay via electronic transfer for the security deposit, first month's rent, and any other charges the scammer can pile on without losing the mark's willingness to complete the deal. The boldest scammers will actually provide keys and **demand rent from the unsuspecting tenants until the true ownership of the property comes to light**. In other instances, the money paid by the tenant is long gone as soon as it's transferred, and they **never even make it into what they believed would be their new home**.

This is, of course, **also a fraud perpetrated on the true owner** of the property, for whom it can be distressing, at the least, to find occupants living in their property, and costly in terms of time and money as well, if they are forced to use legal means to remove the defrauded "tenants" from their property.

HB 1456 takes aim at preventing these scams, which very frequently originate on widely used platforms, including social media and online marketplaces, and the scammers often disappear once the money is sent. In its [December 22, 2025 Consumer Protection Data Spotlight](#), titled "Rental Scams Hit Home With \$65 Million in Reported Losses," the Federal Trade Commission reported that in the 12 months ending June 2025, about **half of people reporting a rental scam said the fake listing began on Facebook; 16% cited Craigslist as the origin of the fraudulent ad**.

HB 1456 would require online platforms to verify ownership or a legal right to rent a property before they publish rental information, adding a level of responsibility to those platforms that currently does not exist for the consumer matter they allow to be distributed. It provides consumers with a better chance to differentiate between legitimate and fraudulent ads and also protects property owners from having their properties rented out from under them. This is **not a new concept** in the consumer protection realm, nor is new technologically. The **platforms have the capability** to engage in this level of due diligence. They just choose not to. HB 1456 would make it a requirement and thereby **provide a much-needed level of protection for Marylanders at a time when they are particularly vulnerable to the bad actions and intent of scammers**.

For these reasons, we respectfully urge a favorable report on HB 1456. Please feel free to reach out to Lisa Marie Sarro, Esq., at Sarro@clspgc.org with any questions.