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February 25, 2026

To: The Honorable Pamela Beidle  
Chair, Finance Committee

From: Kira Wilpone-Welborn, Assistant Attorney General  
Consumer Protection Division

Re: Senate Bill 560 – Continuing Care Retirement Communities - Refunds (Support in Concept)

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The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports the aims of Senate Bill 560 sponsored by Senator Charles E. Sydnor, III. Senate Bill 560 seeks to provide a 2-year outer limit to the time within which a Continuing Care Retirement Community (“CCRC”) must refund an entrance fee paid by a consumer after the consumer dies or cancels the continuing care agreement. Senate Bill 560 provides a clear point by which entrance fees must be returned and removes uncertainty for consumers and their heirs when these funds will be received.

Presently, the Human Services Article requires a CCRC to refund an entrance fee, within certain timeframes, if the continuing care agreement is canceled within 90-days of first occupancy. If the continuing care agreement is cancelled after 90-days, the entrance fee must be refunded within certain timeframes if the consumer at the time of cancellation resides in a unit that has a higher level of care, and their prior unit has been occupied by or reserved for another consumer that has paid a separate entrance fee. Additionally, it is the Division’s understanding that the Department of Aging, within its regulations, requires CCRCs to provide in their contracts terms regarding the refund of entrance fees, but does not set specific refund policies. See COMAR 32.02.01.31(A) and 32.02.01.28(A)(15).

This framework leaves consumers with a patchwork of terms that the Division is concerned could be exploited in an effort to withhold entrance fees indefinitely. First, the present

statutory structure leaves silent when consumers who terminate their continuing care agreements after 90-days and have not occupied a higher level of care will ever receive their entrance fee. Second, although the Department of Aging has additional regulations regarding the refundability of entrance fees, the regulations allow for a variety of contractual agreements. As a result, consumers in different CCRCs, or even in the same community, face different timelines on when their entrance fees will be refunded. The Division is concerned that consumers cannot fully appreciate the nuances created by the Human Services Article and the Department of Aging regulations until they are seeking the return of their money.

The Division's concerns are not mere speculation. The Division has received several complaints from families seeking assistance in the return of substantial entrance fees following the relocation or passing of their loved ones as far back as five years prior to seeking our assistance.

Finally, the Division is aware of the proposed amendments by LeadingAge Maryland. Although the Division agrees that the gaps in the Human Service Article should be addressed by the General Assembly, the Division does not agree that CCRCs can "run the clock out indefinitely simply by refusing to admit another CCRC resident" and is concerned that the language proposed by LeadingAge would allow the retention of entrance fees while "renovations with the intent to re-occupy the unit" occur. The Division is concerned that this language could allow Continuing Care Retirement Communities to draw out renovations to delay the refund of entrance fees unnecessarily; a practice the Division would otherwise consider unfair and deceptive in violation of the Consumer Protection Act.

Ultimately, Senate Bill 560 seeks to return money to Maryland consumers in a timely fashion. As such, the Division supports the goals of Senate Bill 560.

cc: The Honorable Charles E. Sydnor, III  
Members, Finance Committee