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Basic Verification Procedures Would Protect Marylanders From Rental Scams

Position Statement Favorable for House Bill 1456

Given before the Senate Finance Committee

Persistent underground rental fraud schemes that have hurt both Maryland property owners and tenants. HB 1456 would help prevent such scams by requiring commercial platforms that publish or advertise residential property for rent to verify that the person offering the property for rent is the legal owner, the authorized agent of the owner, or selling the property pursuant to Maryland law (such as in a foreclosure or tax sale). Property advertised for rent or sale by a licensed Realtor or broker is exempt. **For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee issue a favorable report for HB 1456.**

Amendments adopted by the Economic Matters Committee fully addressed the concerns of the Maryland Realtors and the bankers, and there is no known opposition to the bill.

Fraudulent scammers have taken advantage of people desperate to find increasingly rare affordable housing. These scammers break into vacant homes, change the locks, post these properties for rent online, and defraud an unsuspecting renter into paying thousands of dollars to move in. These scams often involve fake ads that look real, below-market pricing, and stolen photographs that lure victims into sending deposits to bad actors. Nearly 65,000 rental scams have been reported nationwide since 2020, with \$65 million in losses, according to the Federal Trade Commission.ⁱ

These “scamlord” listings frequently originate on widely used platforms, including social media and online marketplaces, and the scammers often disappear once a victim’s money is received. In the 12 months ending June 2025, about half of the people reporting a rental scam said the fake listing began on Facebook, and 16% cited Craigslist as the origin of the fraudulent ad.ⁱⁱ

Property owners also suffer when their listings for vacant properties are copied, manipulated, and reposted by bad actors. For property owners, it is very costly to find an unauthorized person in their home with a fake lease that the resident believes is legitimate. HB 1456 would address these concerns by requiring the online platform to verify in a commercially reasonable manner that the person posting the property for rent is authorized to do so. Similar legislation, such as New York Assembly Bill A10669, reflects a broader legislative movement recognizing the need for online platform verification to protect consumers.

States Regularly Require Platform Verification in Comparable Contexts

Maryland is not breaking new ground by requiring verification. States already impose verification requirements in multiple contexts where fraud or public harm is a concern. Whether it be political advertisingⁱⁱⁱ or age verification,^{iv} courts have upheld state laws that require online verification from challenges under the First Amendment.

Verification is Technologically Feasible

Some online rental platforms already use verification technology. Airbnb requires hosts to confirm identity through government-issued identification or facial recognition.^v Similarly, Zillow requires first-time posters to verify their phone number. If a posting is flagged, Zillow uses a verification portal to confirm its legitimacy.^{vi} In the meantime, the listing is temporarily removed until verification is completed.^{vii} By comparison, entities like Facebook Marketplace and Craigslist have no verification process and experience higher rates of fraudulent listings.^{viii}

By requiring platforms to verify authorization before publishing a rental ad, HB 1456 adds a level of due diligence that shifts the burden of detecting a fraud away from individual renters. It also protects property owners from unauthorized occupants and improves accountability for the platforms where these fraudulent listings appear. **For these reasons, the Maryland Center on Economic Policy respectfully urges a favorable report on House Bill 1456.**

Equity Impact Analysis: House Bill 1456

Bill summary

HB 1456 requires online platforms that advertise residential rental properties to verify that the person listing the property is the legal owner, an authorized agent, or otherwise permitted to rent the property under Maryland law. This adds a layer of accountability to prevent fraudulent rental listings.

Background

Rental fraud has become increasingly common, with scammers exploiting tight housing markets by posting fake listings, collecting deposits, and disappearing. Nationally, tens of thousands of rental scams have been reported in recent years, resulting in millions in losses. Many of these scams originate on widely used platforms like Facebook Marketplace and Craigslist, which currently lack verification requirements. Other platforms, such as Airbnb and Zillow, already use verification tools, demonstrating that compliance is feasible. Similar legislation in other states reflects a growing trend to regulate online platforms to prevent consumer harm.

Equity Implications

Black and Brown renters—who are more likely to face housing instability and limited access to safe, affordable housing—are disproportionately targeted by rental scams. These communities are often navigating urgent housing needs, making them more vulnerable to deceptive listings and financial exploitation. HB 1456 shifts the burden of detecting fraud away from renters and places responsibility on platforms, helping prevent financial loss, displacement, and housing instability. By reducing exposure to predatory scams, this bill promotes greater housing security and equity in an already unequal rental market.

Impact

House Bill 1456 will likely **increase racial and economic equity** in Maryland.

ⁱRental Scams hit home with \$65 million in reported losses, Consumer Protection Data Spotlight, FED. TRADE COMM’N (Dec. 22, 3035) <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2025/12/rental-scams-hit-home-65-million-reported-losses?>

ⁱⁱ *Id.*

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- iii *In Washington State v. META Platforms, Inc.*, 33 Wash. App. 2d 138, 560 P.3d 217 (2024) (imposing a \$25 million penalty for Meta’s failure to comply with state political advertising disclosure requirements from 2018–2021; holding the law constitutional), review pending.
- iv *Free Speech Coalition, Inc. v. Paxton*, 606 U.S. 461, 145 S. Ct. 2291 (2025).
- v *Verifying Your Identity on Airbnb*, Airbnb Help Center: Verifying your identity on Airbnb, <https://www.airbnb.com/help/article/1237?> (last visited Feb. 3, 2026).
- vi *Zillow Rental Manager Account Verification*, Zillow: Listing a Property, <https://zillow.zendesk.com/hc/en-us/articles/40388811116179-Zillow-Rental-Manager-Account-Verification> (last visited Feb. 3, 2026).
- vii *Creating a Listing*, Zillow: Listing a Property, <https://zillow.zendesk.com/hc/en-us/articles/32915356424595-Creating-a-Listing?> (last visited Feb. 3, 2026); *What is a Verified Source listing?*, Zillow: Renter FAQs, <https://zillow.zendesk.com/hc/en-us/articles/216368218-What-is-a-Verified-Source-listing#:~:text=Verified%20Source%20indicates%20the%20listing,the%20most%20common%20red%20flags> (last visited Feb. 3, 2026).
- viii Powell & Co. Property Management LTD, *Which is better? Rental Agency or Facebook Market Place*, <https://powellandco.nz/which-is-better-rental-agency-or-facebook-market-place#:~:text=Some%20risks%20associated%20with%20using%20Facebook%20Marketplace,arranged%20through%20Facebook%20Marketplace%20poses%20safety%20risks> (last visited Feb. 3, 2026); Better Business Bureau, *Is That Rental Listing Real? BBB Study*, <https://www.bbb.org/all/scamstudies/is-that-rental-listing-real-scam/is-that-rental-listing-real-full-study#:~:text=Though%20newspaper%20classified%20ads%20have,he%20had%20no%20more%20problems>, (last visited Feb. 3, 2026); Lethub, *Spotting and Preventing Lockbox Rental Scams*, <https://www.lethub.co/blog/lockbox-rental-scams#:~:text=FAQs%20Which%20sites%20are%20known%20for%20most,anyone%20can%20post%20listings%20without%20much%20verification> (last visited Feb. 3, 2026).