



Senate Bill 814– Residential Property - Service Agreement - Defunct Service Providers

Position: Support

Maryland REALTORS® represents 28,000 real estate professionals committed to promoting homeownership, protecting property rights, and ensuring a fair and transparent housing market. For this reason, we strongly support SB 814.

In 2023, the Maryland General Assembly enacted legislation prohibiting the future use of Homeowner Benefit Agreements, based on national model legislation developed by the American Land Title Association. Maryland joined a growing national effort—now encompassing more than thirty states—to prohibit these agreements, often referred to as Non-Title Recorded Agreements for Personal Services (NTRAPS).

These arrangements typically offered homeowners a modest upfront payment in exchange for granting a real estate brokerage the exclusive right to list their home for sale in the future, often for terms lasting up to 40 years. The agreements were then recorded in property records and could require homeowners to pay a penalty—often about three percent of the home’s value—if they chose to use a different brokerage.

Consumer protection advocates have raised concerns because these agreements are recorded against the property even though they do not represent a true real property interest, creating encumbrances that can complicate the sale, refinancing, or transfer of a home. The American Land Title Association has warned that such filings undermine the reliability of property records and may unfairly bind future homeowners to obligations they never agreed to.

Because Maryland’s 2023 law was prospective, approximately 1,000 of these agreements remain attached to properties across the state today. Many homeowners now face significant challenges selling or refinancing their homes—particularly since the brokerage that marketed many of these agreements is no longer operating in Maryland.

SB 814 ensures homeowners are not indefinitely burdened by agreements tied to companies that are no longer operating. For these reasons, Maryland REALTORS® respectfully request a favorable report.

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