



House Bill 130— Criminal Law – Deed Fraud – Prohibition, Deed Fraud Prevention Grant Fund, and Task Force to Study Deed Fraud

Hearing before House Judiciary Committee,
On Feb 3, 2026

Position: FAVORABLE with Amendments

Maryland Legal Aid submits its written testimony in support of House Bill 130 at the request of Delegate Elizabeth Embry.

Maryland Legal Aid is a nonprofit law firm that provides free civil legal services to low-income and vulnerable Marylanders. Our offices serve residents in all 24 jurisdictions, and housing is our largest area of practice. Each year, Maryland Legal Aid represents thousands of tenants across the State in disputes involving rental properties. We therefore support HB 130, with amendments, as it seeks to address the problem of fraudulent “landlords,” establishes a task force to study the problem of rental scams, and creates a funding mechanism to re-house the victims of those scams.

HB 130 should target the fraudulent “landlords” without criminalizing their victims.

HB 130 explicitly prohibits a person from, with intent to defraud another, claiming to sell or convey, or attempting to sell real property that the grantor does not own; it would prohibit a person from, with intent to defraud another, claiming to sell or convey, or attempting to sell or convey real property that the grantor lacks sufficient authority to transfer. This language puts the onus on enforcement exactly where it should be – on the person perpetrating the fraud.

However, HB 130 also includes this language in § 8-906(A)(3): “*A person, with intent to defraud another, may not: claim to lease or attempt to lease real property that belongs to another[.]*”

The problem this provision presents is that both a fraudulent “landlord” and an innocent victim would be “leasing” the real property. The perpetrator of fraud is “leasing” the real property to the victim, and the innocent victim is “leasing” the real property from the fraudulent “landlord.” As presently written, an innocent victim could find themselves ensnared in criminal proceedings because they trusted the representations of the fraudulent “landlord.”

We propose the following language, borrowed directly from the preceding sections of the subtitle. Our revised § 8-906(A)(3) would instead read:

*“A person, with intent to defraud another, may not... (3) claim to lease **to another** or attempt to lease **to another** real property that the person does not own or real property that the person lacks sufficient authority to demise.”*

This clarification will ensure that limited law enforcement resources are directed to where they can make the needed impact – stopping the fraudulent “landlord.” It also eliminates the risk that good-faith tenants would face criminal charges because they themselves were defrauded.

HB 130 should ensure that victims of the fraudulent “landlord” cannot be prosecuted for fraud while awaiting a determination of whether they hold a valid lease.

In addition to the amendment proposed above, we would ask the following language be added to Criminal Law § 8-906:

(g): Notwithstanding any other provision of law, a person who is awaiting the determination by a civil court on the validity of their rental agreement has not violated any provision of § 8-906.

As noted above, HB 130 recognizes that the source of the problem is the fraudulent “landlord,” and that their “lessees” are just as much made victims of the fraud as the real property owner. Just as the owner of real property would not find themselves prosecuted under this statute, we would want that same clarity provided to the defrauded lessees.

HB 130 would create a funding mechanism to relocate the victims of fraudulent “landlords.”

HB 130 incorporates the reality that deed fraud often has two victims: the owner of the fraudulently conveyed property and the putative tenant who was defrauded by their “landlord.” HB 130 does not sacrifice one to make the other whole but instead creates a mechanism to fund the relocation of the fraud victim.

With the proposed amendments, HB 130 provides a fair, sensible, and holistic approach to stopping rental scams. It would criminalize the fraud and use fines generated in prosecuting the fraud to make victims whole. For these reasons, Maryland Legal Aid urges the Committee to report **favorable with amendments** on HB 130.

If you have any questions, please contact:

Zafar S. Shah
Advocacy Director for Human Right to Housing
zshah@mdlab.org | (410) 951-7672

Joseph Loveless

Staff Attorney

Jloveless@mdlab.org | (410) 925-8572