



Legislative Update

New Maryland Laws Now in Effect

HB 22 – Occupational Licenses or Certificates – Use of Criminal History. An occupational license may not be denied to an applicant based solely on the applicant’s prior conviction if at least 7 years has passed between completing all requirements of that conviction (including probation) and the applicant has not committed any other crime beyond a minor traffic violation.

HB 123 –Provision of Real Estate Brokerage Services Through a Team – Use of “and Associates”. Authorizes real estate teams to advertise using the term “and associates.”

HB 222 – Real Property –Escrow Agents. Requires certain persons holding escrow money (including title companies and attorneys) to have a written agreement with the buyer and seller. The agreement must include the following information: the amount of trust money offered and the date the escrow agent received it; the fact the escrow agent will notify the parties if there is no money backing the check; and the conditions under which the escrow agent may release the money. The current Escrow Agreement Form offered the Maryland REALTORS® and the Maryland Land Title Association complies with the law. The bill does not apply to real estate companies who already have requirements under law.

HB 1228/SB 807 – State Real Estate Commission – Real Estate Brokerage Relationships. Requires that information learned by a licensee in anticipation of forming a brokerage relationship is confidential and may not be disclosed without the written consent of the individual. The bill also seeks to combine three definitions of brokerage relationship under the law into two definitions. Finally, the bill clarifies a definition of dual agency.

SB 26 – State Department of Assessments and Taxation – Expedited Document Processing. Authorizes the State Department of Assessments and Taxation to create additional fee levels when charging for expedited document requests. The bill is intended to provide additional levels of expedited service that will not cost as much as the current “same-day” expedited service.



Legislative Update

NAR Secures Flood Insurance Extension, New Condo Guidelines

Once again, Congress has approved a short-term extension of the National Flood Insurance Program (NFIP), this time through November 21. The latest extension was signed at the end of September as part of a broad continuing resolution to prevent a government shutdown. While that is good news for pending home transactions, it falls short of the full reform and reauthorization REALTORS® are seeking.

In a statement, NAR President John Smaby stated, “NAR strongly supports the NFIP Reauthorization Act, which includes a 5-year extension along with significant reforms to improve mapping, enhance mitigation and remove obstacles to private flood insurance. H.R. 3167 strikes a delicate balance between NFIP sustainability and affordability, and we urge both chambers of Congress to take up this legislation after its unanimous approval in the House Financial Services Committee.”

FHA Condo Loans

In mid-August, the Department of Housing and Urban Development announced the long-awaited arrival of new Federal Housing Administration condominium loan policies. These new policies will go into effect on October 15.

Highlights include:

- The return of single unit approval (spot loans) for units in non-FHA approved properties
- Increased certification period from two to three years, plus a six month grace period to submit re-certification materials
- Increased acceptable commercial space to 35 percent of total area
- Reduced requirement for owner-occupancy percentage exceptions

Many of the changes secured in the rule are policies for which NAR has advocated for over a decade. It is estimated that this change will result in new lending eligibility for an additional 20-60,000 units, yielding thousands of new homeownership opportunities and helping to alleviate affordability and inventory problems plaguing markets across the country.