

# HOUSE BILL 717

N1, I3, I2

11r0894

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By: **Delegates Braveboy, Beidle, Davis, Howard, Jameson, McConkey,  
Pena-Melnyk, Ross, and Vaughn**  
Introduced and read first time: February 10, 2011  
Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales of Residential Real Property – Right of Purchaser to Select Title**  
3 **Insurance Company**

4 FOR the purpose of providing that a purchaser of certain residential real property may  
5 obtain title insurance covering the residential real property being purchased  
6 from the title insurance company selected by the purchaser; prohibiting certain  
7 persons from requiring, directly or indirectly, as a condition to the sale of  
8 certain residential real property, that the purchaser obtain title insurance from  
9 a title insurance company specified by the person; establishing a certain  
10 penalty; defining certain terms; and generally relating to the right of a  
11 purchaser of residential real property to select a title insurance company.

12 BY adding to  
13 Article – Real Property  
14 Section 14–133  
15 Annotated Code of Maryland  
16 (2010 Replacement Volume and 2010 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Real Property**

20 **14–133.**

21 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
22 **MEANINGS INDICATED.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1           **(2) “LENDER” MEANS A PERSON THAT MAKES ANY LOAN OR**  
2 **OTHER EXTENSION OF CREDIT FOR PERSONAL, FAMILY, OR HOUSEHOLD USE**  
3 **THAT IS SECURED BY RESIDENTIAL REAL PROPERTY.**

4           **(3) “RESIDENTIAL REAL PROPERTY” MEANS ANY**  
5 **OWNER–OCCUPIED REAL PROPERTY LOCATED IN THE STATE ON WHICH A**  
6 **DWELLING DESIGNED PRINCIPALLY AS A RESIDENCE WITH ACCOMMODATIONS**  
7 **FOR NOT MORE THAN FOUR FAMILIES IS CONSTRUCTED OR INTENDED TO BE**  
8 **CONSTRUCTED.**

9           **(B) A PURCHASER OF RESIDENTIAL REAL PROPERTY MAY OBTAIN TITLE**  
10 **INSURANCE COVERING THE RESIDENTIAL REAL PROPERTY BEING PURCHASED**  
11 **FROM ANY TITLE INSURANCE COMPANY SELECTED BY THE PURCHASER.**

12           **(C) A PERSON INVOLVED IN THE SALE OF RESIDENTIAL REAL**  
13 **PROPERTY, INCLUDING THE SELLER, A LENDER, OR A REAL ESTATE BROKER,**  
14 **MAY NOT REQUIRE, DIRECTLY OR INDIRECTLY, AS A CONDITION TO THE SALE,**  
15 **THAT THE PURCHASER OBTAIN TITLE INSURANCE FROM A TITLE INSURANCE**  
16 **COMPANY SPECIFIED BY THE PERSON.**

17           **(D) A PERSON THAT VIOLATES SUBSECTION (C) OF THIS SECTION IS**  
18 **LIABLE TO THE PURCHASER OF RESIDENTIAL REAL PROPERTY IN AN AMOUNT**  
19 **EQUAL TO THREE TIMES THE CHARGES PAID FOR THE TITLE INSURANCE**  
20 **OBTAINED BY THE PURCHASER.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2011.