



MD|DC
Credit Union Association

Delegate Dereck Davis
Room 231
House Office Building
Annapolis, Maryland 21401

HB1095: Real Property – Residential Contract of Sale – Buyer Identification
Testimony on Behalf of: MD|DC Credit Union Association
Position: Oppose

Chairman Davis, Vice-Chair Dumais, and Members of the Committee:

The MD|DC Credit Union Association, on behalf of the 77 Credit Unions and their 2.2 million members that we represent in the State of Maryland, appreciates the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives whose mission is to educate and help members achieve financial well-being. **We respectfully oppose this bill.**

In conversations about this bill, the sponsor told the MD|DC Credit Union Association that this bill's goal is to limit the demographic data provider to real estate sellers, from potential real estate buyers, during the offer and bid process. The problem being addressed is possible discrimination between a person selling real estate and a potential buyer. This all takes place well before the formal contract process begins. **As drafted, this bill does not accomplish the sponsor's goal and is very harmful to consumers.**

From a fundamental legal standpoint, a contract is an agreement between private parties creating **mutual obligations enforceable by law**. The basic elements required for the agreement to be a legally enforceable contract are mutual assent, expressed by a valid offer and acceptance; adequate consideration; **capacity**; and legality. **Contracts must identify a buyer against whom the contract can be enforced.** Writing "Client A" does not establish capacity or protect both parties in the agreement. There are various ways a party to a contract can remain anonymous (purchase through an LLC, purchase through a nominee). However, contracts entered into by these types of structures are still legally enforceable because there is an identified buyer against whom the contract can be enforced. Even under these legal methods, due to the potential for litigation and risk involved, some credit unions hesitate to lend to parties who wish to purchase in a way that shields their personal identity. Consumer protection and safety and soundness issues are always the priority.

If the bill language were tailored more towards the sponsor's specific purpose we would likely be neutral.



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As always, we appreciate the ability to have our voices heard and look forward to a continued partnership. Please reach out to me at jbratsakis@mddccua.org or our VP of Advocacy, Rory Murray, at rmurray@mddccua.org with comments or questions.

Thank you!

Sincerely,

John Bratsakis
President/CEO
MD|DC Credit Union Association