

# WFG Underwriting Bulletin



To: All Maryland Policy Issuing-Agents; All Title Examiners and Officers of WFG National Title Insurance Company  
From: WFG Underwriting Department  
Date: April 10, 2024  
Bulletin No. MD 2024-01  
Subject: Baltimore City Tenant Opportunity to Purchase Ordinance

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## **WHAT IT IS:**

Effective for settlements taking place on or after April 13, 2024, Baltimore City has put into effect a new ordinance (the “Ordinance”) providing tenants a first right of refusal for single family dwelling units within the City.

Essentially, landlords must either offer to sell the dwelling unit to the tenant, or meet an exception to this requirement, as explained below. Landlords must send a copy of the attached Affidavit of Compliance to the Commissioner of the Baltimore City Department of Housing and Community Development (the “Commissioner”), and also file it in the Land Records of Baltimore City.

## **REQUIRED LANGUAGE TO INCLUDE IN YOUR TITLE COMMITMENTS:**

WFG agents insuring sales of property in the City of Baltimore should include the following requirement in Schedule B-1 of the title commitment:

**“The landlord must provide satisfactory evidence to the Company that the property is either unoccupied by a tenant for at least the past 6 months, or demonstrate that an Affidavit of Compliance has been submitted to (a) the Commissioner of the Baltimore City Department of Housing and Community Development, and (b) recorded in the Land Records of Baltimore City.”**

The following exception to title should be added to Schedule B-2 of the title commitment:

**“Compliance by the landlord with Baltimore City’s Tenant Opportunity to Purchase Ordinance, City Code, Article 13, Subtitle 6, Sections 6-1 through 6-20”.**

## **EXCEPTIONS TO THE NEED FOR AN AFFIDAVIT OF COMPLIANCE:**

1. Transfer of title to a spouse, child or children, siblings, or in-laws of the landlord;
2. Transfer of the property through a will or inheritance;
3. A gift to any religious, charitable or benevolent, tax-exempt donor;
4. Transfer of title in a mortgage or deed of trust;
5. Transfer of title to a government agency;
6. Transfers of, or for the sole purpose of creating, a ground rent interest, if the leasehold is retained by, or was not owned by the transferor;
7. Transfer of title in lieu of foreclosure of a mortgage or deed of trust;

8. Any sale or public auction of a property individually, if the landlord has offered the property to the tenant(s) and they have failed to exercise their option to purchase the property;
9. Transfers by a personal representative from a decedent's estate as part of the administration of the estate
10. A transfer of title to a bona fide relative of the transferor or of the transferor's spouse, with certain exceptions.

#### **WHAT OPTIONS DOES THE TENANT HAVE?**

Assuming it is not an exempt transfer, the landlord shall provide a written offer of sale to the tenant stating:

- a. The asking price and material terms of sale; and
- b. A statement that the landlord will provide the tenant, within 7 calendar days of a request, the following:
  1. Complete copy of a third-party contract to purchase the rental dwelling unit, with the purchaser name redacted; and
  2. Copies of available licensing inspection reports of the rental dwelling unit for the previously two years.

The tenant will then have the opportunity to enter into a contract to purchase the property at a fair price and under similar terms compared to the third-party contract. The tenant may also elect to waive his/her rights to purchase the rental dwelling unit.

#### **THE AFFIDAVIT OF COMPLIANCE:**

Whether the property is exempt from the Ordinance or not, the attached Affidavit of Compliance must be recorded among the land records of Baltimore City, and a copy provided to the Commissioner at the following address:

**Commissioner  
Baltimore City Department of Housing & Urban Development  
417 E. Fayette Street, 14<sup>th</sup> Floor  
Baltimore, MD 21202**

#### **HOW TO DELETE THE EXCEPTION IN THE TITLE COMMITMENT:**

In order to delete the exception to title, the title agent must do one of the following:

1. Obtain a completed Affidavit of Compliance and attach it to the deed for recording; and
2. Mail the Affidavit of Compliance to the Commissioner; or
3. Obtain evidence that the property has not been used as a rental dwelling unit for at least the past 6 months; or
4. Rely upon the landlord's statement in the Affidavit of Compliance that the property is exempt from the Ordinance.

#### **PROTECTION OF A TRANSFEREE'S RIGHTS:**

Where an affidavit has been filed as required by the Ordinance, the rights and title of a third-party transferee and the transferee's heirs, successors or assigns shall be free of any restriction or any claim arising in favor of the tenant under the Ordinance.

**Seller's Affidavit of Compliance with Baltimore City's Tenant Opportunity to Purchase Act City Code, Article 13, Subtitle 6**

**NOTICE:** LANDLORD MUST FILE THIS AFFIDAVIT AMONG THE LAND RECORDS OF BALTIMORE CITY AND WITH THE COMMISSIONER OF THE BALTIMORE CITY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

**Address of Rental Dwelling Unit: Name of Tenant:**

**WARNING:** ANY PERSON WHO VIOLATES ANY PROVISION OF THIS SUBTITLE SHALL BE GUILTY OF A MISDEMEANOR AND, ON CONVICTION, SHALL BE SUBJECT TO A FINE OF UP TO \$1,000 FOR EACH VIOLATION.

THE UNDERSIGNED LANDLORD UNDER PENALTIES OF PERJURY STATES AS FOLLOWS:

OPTION 1.) \_\_\_\_\_ THE ABOVE-NAMED TENANT BEING THE TENANT OF THE RENTAL DWELLING UNIT IDENTIFIED ABOVE WHICH IS LOCATED IN BALTIMORE CITY AS REQUIRED BY §6-7 OF ARTICLE 13 OF THE BALTIMORE CITY CODE, SENT \_\_\_\_\_ [DATE OF NOTICE], HAS FAILED TO ENTER INTO A CONTRACT TO PURCHASE SAID PROPERTY IN THE MANNER AND TIME PROVIDED BY SUBTITLE 6 OF ARTICLE 13 OF THE BALTIMORE CITY CODE; AND

"NOTICE PURSUANT TO § 6-7 OF ARTICLE 13 OF THE BALTIMORE CITY CODE WAS SUBSEQUENTLY SENT TO SAID TENANT ON \_\_\_\_\_ (DATE OF MAILING), AND TO THE COMMISSIONER FOR THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, AND TENANT SUBSEQUENTLY FAILED TO CONTRACT TO PURCHASE THE ABOVE REFERENCED PROPERTY IN LIEU OF \_\_\_\_\_ (NAME OF PURCHASER) WITHIN THE PERIOD OF TIME PROVIDED BY SAID § 6-8, THAT PERIOD BEING 7 DAYS."; OR

OPTION 2.) \_\_\_\_\_ THE ABOVE-NAMED TENANT BEING THE TENANT OF THE RENTAL DWELLING UNIT IDENTIFIED ABOVE WHICH IS LOCATED IN BALTIMORE CITY, FOLLOWING AN OFFER OF SALE AS REQUIRED BY § 6-7 OF ARTICLE 13 OF THE BALTIMORE CITY CODE, SENT \_\_\_\_\_ (DATE OF MAILING), HAS NOT ENTERED INTO A CONTRACT FOR SALE; OR

OPTION 3.) \_\_\_\_\_ THE ABOVE-NAMED TENANT BEING THE TENANT OF THE RENTAL DWELLING UNIT IDENTIFIED ABOVE WHICH IS LOCATED IN BALTIMORE CITY, FOLLOWING AN OFFER OF SALE AS REQUIRED BY § 6-7 OF ARTICLE 13 OF THE BALTIMORE CITY CODE, SENT \_\_\_\_\_ (DATE OF MAILING), HAS GRANTED A WAIVER OF THE REQUIREMENTS OF ARTICLE 13, SUBTITLE 6 IN ACCORDANCE WITH § 6-15 OF ARTICLE 13 OF THE BALTIMORE CITY CODE; OR

OPTION 4.) \_\_\_\_\_ THE CURRENT TRANSFER IS AN EXEMPT TRANSFER PURSUANT TO § 6-3 OF ARTICLE 13 OF THE BALTIMORE CITY CODE.

WITNESS:

**AFFIANT/SELLER/LANDLORD**

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ , to-wit:

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_, and to be known to me (or satisfactorily proven) to be the individual who executed the foregoing Affidavit and executed the said instrument as her/his free and voluntary act and deed for the purposes therein mentioned.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

My Commission expires: \_\_\_\_\_  
Notary Public: \_\_\_\_\_

If you have any questions about this Bulletin, please contact your WFG Maryland Underwriter Ned Livornese for assistance at [nlivornese@wfgtitle.com](mailto:nlivornese@wfgtitle.com), or call 443-286-5964.

**NOTE:** This Bulletin should not be interpreted as reflecting negatively upon the character of an individual or entity mentioned herein and is for the sole purpose of establishing underwriting positions and policies reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

**The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.**