

WFG Underwriting Bulletin



To: All WFG Maryland Policy Issuing Agents; All WFG Title Examiners and Officers
From: WFG Underwriting Department
Date: October 3, 2024
Bulletin No.: MD 2024-03
Subject: New Maryland Renter's Statute: Renter's Rights and Stabilization Act ("RRSA")

I. WHAT IT IS:

Effective for settlements taking occurring on or after October 1, 2024, the State of Maryland has implemented changes to Maryland Real Property Sec. 8-119 which provide certain tenants statewide with rights to purchase, or have a first right of refusal in, certain rental properties.

This new statute preempts any local law or ordinance governing the right of first refusal or opportunity to purchase concerning residential real property which falls within RRSA. That includes the recently-enacted Baltimore City Tenant Opportunity to Purchase Act ("TOPA").

II. HOW DOES IT WORK:

Note: This is a synopsis of the new Maryland statute, but it does not substitute for advice from legal counsel:

1. Under RRSA, tenants of 1, 2 and 3-unit residential properties have the right to make an offer to purchase the property from the owner before the owner may sell the property to a third party.
2. The term "tenant" means an individual who has occupied a residential rental property for at least 6 months and who is a named lessee in a written lease.
3. These properties are exempted from RRSA:
 - Transfers to family members;
 - A transfer to a business entity of the owner;
 - Transfers in a foreclosure, tax sale, or deed-in-lieu of foreclosure;
 - Transfers into family trusts;
 - Transfers in a bankruptcy;
 - 4 or more-unit residential real properties

Note: see statute for additional exemptions which may apply.

4. Before offering to sell property to the public or a third party, the owner must send each tenant a written notice of the tenant's right to make an offer to purchase the property. The owner shall also send a notice to the new Office of Tenant and Landlord Affairs.

5. The tenant shall have 30 days after the owner delivers the notice to give the owner a written offer to purchase the property.

6. Within 5 days of receipt of the tenant's offer, the owner shall accept the offer if it is more favorable than any other offer. The owner may also make a counter-offer.

7. If no offer is received from the tenant(s) after proper notice is given to him/her/them, the right of first refusal is terminated.

III. TITLE COMMITMENT REQUIREMENTS:

All Maryland title commitments for residential properties with 1 to 3-family residential units must contain a requirement substantially similar to the following:

"Evidence must be provided to WFG or its Agents that no portion of the property is leased for residential purposes. If the property has been so leased, the Company requires evidence of compliance with the Renter's Rights and Stabilization Act of 2024."

In order to meet this requirement, the title agent send a Certification to the seller in the [Document attached here](#)

IV. TITLE COMMITMENT EXCEPTIONS:

Agents should include this exception in every Maryland title insurance commitment for 1 to 3-unit residential properties:

"Rights of tenants under the Renter's Rights and Stabilization Act of 2024."

Any questions about this Bulletin can be directed to Ned Livornese, Maryland Underwriter for WFG National Title Insurance Company, at nlivornese@wfgtitle.com or by phone at 443-286-5964.

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