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**Testimony in Support of LD 353:
Resolve, to Establish the Commission to Recommend Methods for
Preventing Deed Fraud in the State**

Madeleine Hill on behalf of the Maine Association of REALTORS®

February 12, 2025

Senator Carney, Representative Kuhn and members of the Joint Standing Committee on Judiciary my name is Madeleine Hill and I am a REALTOR® affiliated with Roxanne York Real Estate in Harpswell. I have been a REALTOR® for 17 years and am a past president of the Maine Association of REALTORS®. I am here today on behalf of the Association. Established in 1936, the Maine Association of REALTORS® has over 6,500 members statewide. REALTORS® protect private property rights, build Maine communities, and grow our state's economy. Our members represent buyers and sellers involved in both residential and commercial real estate transactions. Membership includes industry affiliates, such as lenders, closing agents, title agents, appraisers, building inspectors, surveyors, etc. The Maine Association is chartered by the National Association of REALTORS® (NAR), the largest trade association in the country.

The Maine Association of REALTORS® recognizes that fraudulent real estate transactions are a growing problem both on a state and national level. I am here today to share an experience with a fraudulent seller attempt in my business and offer the Maine Association of REALTORS® support for LD 353.

In early 2024, my agency was contacted by a prospective seller for a parcel of land in Brunswick. As part of my normal protocol, I checked the seller's name and phone number in Forewarn, which is a risk-mitigation and safety program for members within our Multiple Listing Service (MLS) that provides a quick review of contact information to protect brokers. I found the seller's name, but the phone number listed was different. I spoke with the prospective seller on the phone, and he provided me with a copy of photo identification, which I later learned was fraudulent. Despite my requests for a face-to-face video call, the fraudulent seller refused. I then contacted a local title company and was informed that the parcel of land in question had been targeted multiple times previously. I was able to contact the legitimate owner of the property, using the phone number I found in Forewarn, who confirmed the property was NOT for sale. She also indicated that her husband or anyone claiming to be him could not be as her husband had a stroke a few years ago and was nonverbal. I was advised by the property owner that I was not the first REALTOR to call her about the property. My story, unfortunately, is but one of many similar stories that we have heard about statewide.

In 2024, MAR received over 25 reports from members of attempted property owner fraud across all parts of Maine. This number, I fear, represents only a small percentage of the fraudulent



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EQUAL HOUSING
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attempts because there are likely many incidents that are not reported. MAR shares the information from these reports internally with members as an educational tool to raise awareness and provides further recommendations that members and property owners involved in any attempted fraud should report incidents to local law enforcement and the FBI Internet Crimes Unit. In addition, MAR has been working with industry partners around solutions each player in the real estate transaction is taking to protect property owners.

Education and diligence are key, however property owner fraud is evolving and changing faster than can be regulated. Our members have been vigilant in their process of identifying and recognizing scams, but more work needs to be done for all professionals involved in real estate transactions.

Fraudulent real estate transactions are unquestionably a pressing problem, and we welcome the opportunity to engage on this issue. In the 131st Maine Legislature, MAR supported an amendment to LD 2240 which was a similar Resolve to create a workgroup on this issue, and we continue to strongly encourage this approach. We are aware it did not pass due to funding and are open to a conversation around creative ways we can address this, while being mindful of the fiscal impact. The best way to ensure we protect property owners, and the industry as a whole, is through collaboration among all the professionals involved in the transaction. We support the creation of a comprehensive workgroup involving stakeholders from various industries who are involved in real estate transactions to more thoroughly study the issue, explore standards for due diligence and make further recommendations as needed.

As REALTORS® we subscribe to a Code of Ethics involving duty and care to clients and to be stewards of protecting private property rights. Along with our industry partners, we are eager to work together to develop on-going and comprehensive industry best practices and protections for private property owners in Maine. MAR is available to discuss this further with the committee. For these reasons, we strongly urge the committee to vote "Ought to Pass" on LD 353. Thank you for your time and consideration.