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**Testimony Neither For Nor Against LD 2182**  
**“An Act to Implement a Recommendation of the Commission to Recommend Methods for Preventing Deed Fraud in the State”**

**March 5, 2026**

Senator Curry, Representative Gere, and members of the Joint Standing Committee on Housing and Economic Development:

My name is Hannah McMullen, Legal and Government Affairs Counsel for the Maine Association of REALTORS®, a professional trade association established in 1936 with over 6,500 members statewide. REALTORS® grow Maine's economy, build Maine communities, and advocate for the protection of private property rights. Our members represent buyers, sellers and owners of residential and commercial real estate. Our membership also 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® is testifying Neither For Nor Against LD 2182.

In addition to my role with the Association, I had the privilege of serving as a member of the Commission to Recommend Methods for Preventing Deed Fraud throughout the fall of 2025. During our proceedings, the Commission found that fraudulent real estate transactions are a growing and sophisticated problem that requires proactive, multi-industry solutions. We agree that protecting the integrity of property titles is essential for the stability of our communities and the protection of private property rights.

This bill seeks to implement a concept that received majority support within the Commission: requiring real estate licensees and settlement agents to verify the identity of persons selling property in real estate transactions.

However, as a Commission member, I want to emphasize that our recommendations for solutions extended beyond just seller verification. We also identified the critical need for:

- **Public Awareness and Education:** Increasing consumer and property owner education regarding "red flags" for seller impersonation.
- **Municipal Data Accuracy:** Ensuring property owner addresses in municipal tax records remain accurate and up-to-date.
- **Affidavit Process for Attorneys:** Establishing a clear process for licensed attorneys to record affidavits to nullify fraudulent deeds.
- **Uniform Law Commission:** Monitoring whether the Uniform Law Commission adopts a uniform or model law to address deed fraud.

Regarding the specific proposals in LD 2182, we offer the following comments:

- **Uniform Standards of Care:** Real estate licensees already have a duty of reasonable care and diligence, which includes best practices for verifying client identities. While our position with the Commission was that a statutory mandate was not necessary given the current best practices already in place, we believe that creating a reasonable, uniform standard of care—specifically a selection of verified options—will help licensees in the long run. It would provide a reliable framework for practitioners in the event a complaint or action is ever brought against them.
- **Collaborative Rulemaking:** This bill directs the Maine Real Estate Commission (MREC) and the Superintendent of Consumer Credit Protection to adopt rules for these requirements starting January 1, 2027. We think it is critical that any rulemaking must be consistent for both of these professionals involved in real estate transactions. We anticipate working closely with the Department of Professional and Financial Regulation during the rulemaking process to ensure these standards are effective at preventing fraud without creating an unreasonable liability for real estate licensees acting in good faith.
- **Focus on High-Risk Transactions:** The Commission identified several red flags that generally accompany seller impersonation fraud, one of which is that the fraud is often targeted towards vacant and unencumbered land. Section 1 of the proposed bill, which addresses settlement agents, defines “covered real estate transaction” as “vacant land or residential real estate.” However, there is no similar provision in Section 2, which addresses real estate licensees. While we do not take a position on the substance of this requirement, we do think it is important to provide consistent requirements for both professionals involved in real estate transactions.
- **Seller verification for real estate licensees:** As currently drafted, Section 2 of the proposed bill only includes seller clients and does not include other types of transactions covered under the Real Estate Brokerage Law. In turn, we urge this Committee to consult with the Real Estate Commission for any needed language revisions to maintain statutory consistency and avoid any future confusion among real estate brokerages in implementing this requirement.

Fraudulent real estate transactions are unquestionably an evolving problem and we welcome the opportunity to collectively work towards solutions to mitigate liability and ensure there is an effective standard to follow regarding consumer protections. Our members remain focused on the best interest of their clients and property owners in Maine as we navigate the changing landscape of fraud.

For these reasons, we are neither for nor against LD 2182 and look forward to continued engagement with the Committee and stakeholders to ensure a manageable and effective result. Thank you for your time and consideration.