



## COVID-19 FAQs

### Governor Hogan's Executive Orders and Related Guidance

#### What do the Governor's Executive Orders say about Real Estate?

- The Governor issued an emergency declaration to control and prevent the spread of COVID-19 on March 5<sup>th</sup>, which he renewed on March 17<sup>th</sup>. He issued an order concerning the emergency declaration on March 12<sup>th</sup>, which was amended and restated March 16<sup>th</sup>, 19<sup>th</sup>, and 23<sup>rd</sup>.
- The order restricts social, community, spiritual, religious, recreational, leisure, sporting activities, as well as gatherings of more than 10 people.
- The Executive orders do not expressly mention residential real estate brokerage services or residential real estate transactions.
- "Non-essential" businesses were ordered closed to the **general public** effective 5 pm on March 23<sup>rd</sup>. The order controls the use and occupancy of businesses that are **not part** of the critical infrastructure sectors identified by the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA), i.e., essential businesses.
  - One Critical Infrastructure Sector in the CISA Guidance is the Commercial Facilities Sector, which includes "real estate (e.g., office and apartment buildings, condominiums, mixed use facilities, self-storage)". These commercial businesses are therefore excluded from Governor Hogan's order.
- The Governor's Office of Legal Counsel issued interpretive guidance on March 23<sup>rd</sup> expanding somewhat the businesses exempt from the Governor's closure order. The exempt businesses under the CISA commercial facilities sector category include lodging, building and property maintenance companies, as well as commercial and residential construction companies. The Governor's Office of Legal Counsel also issued a "non-exhaustive" list of businesses that are exempt from the closure order. Title companies are exempt.

## **What do Governor Hogan's orders mean for my business?**

- Your brokerage office must be closed to the public until Governor Hogan's order is modified or rescinded. There is some confusion about the interplay of our determination that residential real estate is "non-essential" under the CISA Guidelines, and our advice is that residential transactions may continue as long as you follow the CDC guidelines for group size (no more than 10), hygiene, and social distancing.
- Electronic and virtual marketing are not restricted under any of the Governor's orders. You can spend as much time as you wish speaking to clients and members of the public over the telephone or by video conference.
- You can send and receive emails, texts, and digital communications through any internet portal you prefer.
- You can record and distribute digital photographs and video.
- You can also show properties so long as none of the showings involves a gathering of more than 10 people.
- It is strongly recommended by the Governor's office as well as the Center for Disease Control and the REALTOR® community that real estate agents limit their contact with others in the community. When interactions occur, everyone should practice social distancing and frequent hand washing.

## **Is Real Estate an essential service?**

- Residential real estate is non-essential under the CISA guidance. Therefore, residential real estate offices must remain **closed to the public** until further notice.
- Some commercial real estate businesses are part of the critical infrastructure. Office and apartment buildings, condominiums, mixed use facilities, and self-storage businesses are not required to close under Governor Hogan's order.
- Title companies are not required to close pursuant to the Governor's recent order although they provide services to both the residential and commercial real estate sectors.

## **General FAQs**

### **I am preparing to go on a listing appointment and trying to anticipate what type of questions the sellers may have about COVID-19 while listing and showing their home. Can you offer any guidance?**

First, talk to the sellers to determine what concerns they may have. Are they in a vulnerable population or are there family members or occupants who may be vulnerable? What precautions are they taking and/or would they like you to take? As in any situation, you want to respect the seller's concerns and make them comfortable, while also respecting your own concerns, comfort level, and ability to reach a decision that's acceptable to you and the seller.

**In the community which I primarily service, it is common to hold an open house. The seller doesn't really want to allow groups of strangers into her home at this time. What can I do to address the seller's concerns, while still marketing the property in a way that is typical for this community?**

NAR has provided some guidance on this. One suggestion is to offer a "virtual open house" (with the seller's permission, of course) by use of video such as FaceTime, Skype, or Google Duo. You might want to consider using 3D scans to give potential buyers a better "feel" for the home. [Bright MLS](#) maintains a list of virtual tour vendors, which may be useful. In addition, on a temporary basis, Bright MLS will permit a blanket authorization in the Agent Remarks section allowing buyer's agents to take photos and videos. The listing agent would still need the seller's written permission, but provided that is granted, the listing agent can include remarks such as this in the Agent Remarks section:

*Seller provides authorization to all cooperating brokers/agents to take photos/videos of the home during a scheduled, unaccompanied showing.*

Being mindful of CDC guidance and any local, state, or national declarations or executive orders, the seller may ask, and you may agree, to hold an open house. [NAR offers the following suggestions:](#)

If you do hold an open house, consider requiring all visitors to disinfect their hands upon entering the home, limiting the amount of people in the home and providing alcohol-based hand sanitizers at the entryway, as well as soap and disposable towels in bathrooms. If you decide to do any cleaning at your client's home, be sure to check with your client in advance about any products you plan to use. After the open house, recommend that your client clean and disinfect their home, especially commonly touched areas like doorknobs and faucet handles.

**If I prepare a virtual tour or virtual listing, will I be able to share that video with other REALTORS® on Bright MLS? As a buyer's agent, will I be able to share the listing agent's virtual tour/virtual listing with my buyer clients?**

Yes, Bright MLS has also temporarily modified its rules with respect to virtual tours. You may include links to any virtual tours, including branded YouTube videos, in the Agent Remarks section. The rules regarding public remarks have been temporarily modified to allow you to share links to *unbranded* videos in the Public Remarks section. Please visit [the Bright MLS website for more detailed information.](#)

**I love holding broker's opens, and believe they are an important part of marketing my listings. Do you have any suggestions about broker's opens?**

Current federal and state recommendations are to limit gatherings to 10 or fewer people, which would almost certainly impact broker's opens. This is another area where you may want to use a virtual tour or create a "virtual broker's open." Granted, you won't be sharing food, but you can still share a video or virtual tour with colleagues and other brokers.

**My seller client is concerned about making the property available for showings. He wants to know if potential buyers (or their agents) have traveled overseas in the past few weeks. Am I allowed to ask this question?**

Yes, you may ask clients or others about their recent travel, particularly to areas identified as having an increased risk of coronavirus. To avoid potential fair housing issues, *be sure to ask all clients the same screening questions* based on current, factual information from public health authorities.

**Are there any practical steps that a seller can take to reduce COVID-19 risks during a showing?**

There are several practical steps that a seller can take to reduce risks during a showing. As a preliminary matter, the seller may want to limit the number of people who enter the home. They may want to limit it to the buyers or potential buyers, no children, extended family or friends. This should be communicated to the buyer's agent *before* the parties arrive for the showing.

As for the home, the seller could provide sanitizer and paper towels at the entrance and request that anyone entering the home use them. The seller could open all interior doors prior to all showings and sanitize all doorknobs after the showings. The seller may want to leave cabinet doors open, to reduce the likelihood that the buyer will touch the handles or pulls. All lights or lamps could be left on, again to minimize the need for anyone to touch the light switches or lamps. Also, weather and allergy permitting, the seller may want to keep the windows open to allow fresh air to circulate through the home during the showing.

**Can the seller make the home unavailable for showings while it is listed? If so, what should I say or do on Bright MLS to make that clear?**

Bright MLS has temporarily modified its rules for Active and Under Contract listings. Bright MLS will *not* require in-person/onsite showings at this time. However, active properties that will NOT have in-person/onsite showings must be available for either virtual tours, virtual showings, or to otherwise be available for a walk-through before closing. More information is available [on the Bright MLS website](#).

**I often drive my buyer clients to and from showings in my car. I no longer feel comfortable doing that. Can I politely suggest that my clients meet me at any homes they will be viewing, rather than driving them in my car?**

NAR has provided guidance on this as well. NAR's guidance is, yes, you may refuse to drive potential clients to see homes; however, be sure that any change you make to your business practices is applied equally to all clients. You may refuse to drive clients who show signs of illness or reveal recent travel to areas of increased risk of coronavirus, or you may instead decide to stop driving clients in your car altogether, and simply arrange to meet clients at a property. If you do continue to drive clients in your car, it is a good idea to frequently clean and disinfect surfaces like door handles and seat belt latches, and to ask clients to use hand sanitizer when getting in and out of the car.

**Are there any practical suggestions that I can make to my buyer clients to reduce COVID-19 risks while showing/viewing a home?**

As noted above, you may suggest that the buyer use their own car when traveling to the home. You could also suggest that the buyer refrain from touching any doorknobs, counters, or other surfaces while viewing the property. The buyer may want to wear gloves or bring hand sanitizer with them to the viewing, in case the seller doesn't provide sanitizer. The buyer may want to wear booties or similar shoe coverings while in the property.

**Typically, when I am the listing agent and the seller receives multiple offers, I will physically meet with the seller to present and/or discuss each offer. Do you have any suggestions on how to handle a multiple offer situation in the COVID-19 environment?**

Here again, there are many ways to work with your clients through video conferencing. Zoom and Google Hangouts both allow video conferencing and sharing of documents. This may be an excellent way to "meet" with your clients, review all of the offers by sharing the documents and going through them (page by page if you want), just as you would do in a face-to-face meeting.

**FAQs: Contracts Impacted by COVID-19**

**Is the new Maryland REALTORS® COVID-19 Addendum mandatory?**

No. The Maryland REALTORS® COVID-19 Addendum is not mandatory. We recommend the parties include it in the transaction to address delays caused by the Coronavirus pandemic.

Should a COVID-19 related delay cause the parties to have to extend the settlement date, they have the option to check 30 days, 60 days, or insert a different number of days.

**What time frame do you recommend Buyer and Seller select?**

It depends. The parties will need to consider the facts and circumstances that led to the delay and decide accordingly.

**The parties are under contract. It's a cash transaction. All contingencies have been satisfied. The Buyer's income was impacted by the Coronavirus pandemic and Buyer is requesting that Seller sign the Maryland REALTORS® COVID-19 Addendum so Buyer can have additional time to obtain funds for settlement. The Seller is refusing to sign it. What can Buyer do?**

To avoid being in default, the Buyer may submit another request to Seller to execute the Addendum. If Seller refuses and the settlement date passes, the Buyer could be in default.

**Buyer and Seller used Maryland REALTORS® Residential Contract of Sale. The transaction is contingent upon Buyer obtaining financing. The Buyer's income has changed because of the Coronavirus epidemic. What happens if Buyer is unable to obtain financing?**

The Financing (Paragraph 9) and the Financing Application and Commitment (Paragraph 10) provisions are controlling. If Buyer is unable to obtain a written financing commitment, Seller, at Seller's election and upon written notice to Buyer, may declare the Contract null and void and of no further legal effect; or (2) Buyer, upon written notice to Seller, which shall include written evidence from the lender of Buyer's inability to obtain financing as provided in Paragraph 9 of the Contract, may declare the Contract null and void and of no further legal effect. In either case, the deposit shall be disbursed in accordance with the Deposit paragraph of the Contract. If Buyer has complied with all of Buyer's obligations under the Contract, including those with respect to applying for financing and seeking to obtain financing, then the Release of Deposit agreement shall provide that the deposit shall be returned to Buyer.

**Buyer is concerned about germs spreading on or about the property from the Coronavirus and would like Seller to wipe down and sanitize the property prior to settlement. What are Seller's obligations?**

Paragraph 22, the Condition of Property and Possession provision of the Contract is controlling. At settlement, Seller shall deliver possession of the Property and shall deliver the Property vacant, clear of trash and debris, broom clean and in substantially the same condition as existed on the Date of Contract Acceptance. If the Buyer would like the Seller to do more than that, it would have to be negotiated and agreed to in the Contract.

**What can be done if delays resulting from the Coronavirus pandemic prevent Seller from obtaining the disclosures mandated under the Maryland Homeowners Association Act and the Maryland Condominium Act in a timely fashion?**

Both Acts preclude the parties from contractually modifying the requirements outlined therein.

### **FAQs: Settlement and Recording**

**I have sellers that do not want to attend closing due to the outbreak of COVID-19, what options would be available to them?**

A Seller in a Real Estate transaction needs to sign their documents in front of any available notary. A notary that is a family member, neighbor etc. would be acceptable. The title company can email the documents to your seller and the seller would be able to print those documents for signature. Then the seller could scan or Fed Ex the documents back to the title company. If the seller is unable to print at home, the title company should also be able to Fed Ex the documents to the seller directly. Please contact the title company directly to make arrangements.

**I have buyers that do not want to attend closing due to the outbreak of COVID-19, what options would be available to them?**

A Buyer in a real estate transaction needs to sign their title documents in front of a licensed title producer/notary. However, title documents and loan documents that do not need to be notarized could be emailed to the buyer in advance of closing to limit the amount of time that they need to sit in front of the settlement officer. Furthermore, some title companies may have the availability to send a mobile closer to the buyer, to limit the buyers need to come to the office. We suggest that you contact the title company to determine their options for accommodation.

**I have heard that the court houses have been closed and that there are delays in recording. How will this affect my clients closing?**

Although the majority of the court houses are closed, real estate documents are still being submitted electronically for review and recording. Therefore, your clients closing should not be affected. However, if your client's transaction involves an original Power of Attorney or your client is buying unimproved land, please advise them that the return of original documents will be delayed and therefore, building or improvements on said property may also be delayed.

**Is there anything additional my clients need to know about COVID-19 with regard to their settlement?**

Due to the outbreak of COVID-19, courts and recordation offices have been closed throughout the state. These closures could have an impact on the recordation of deeds, deeds of trust and other real estate recordable instruments post settlement. Therefore, title insurers have responded to these closures by asking title companies to add additional documents into their closing package regarding these delays. Sellers and Buyers should be prepared to read and sign disclosure regarding potential delays due to COVID-19.

**FAQ: Maryland Real Estate Commission, License Renewal, and Continuing Education**

**My real estate license (salesperson) expires on March 30. I know that Governor Hogan declared a State of Emergency in Maryland, and I know that this affects my license renewal, but I don't know all the details. What happens if I cannot complete my required CE before March 30? Can I still provide real estate brokerage services even though my license technically expires on March 30?**

In recognition of the need to control and prevent the spread of the COVID-19 virus, Governor Hogan declared a State of Emergency and Catastrophic Health Emergency on March 5, 2020. The following week, on March 12, 2020, Governor Hogan issued an order extending the expiration date of all professional licenses issued by the State of Maryland until the 30<sup>th</sup> day after the State of Emergency and Catastrophic Health Emergency is terminated. It is not known how long the emergency will last or when Governor Hogan will declare the State of Emergency terminated. To summarize, if your license expired on or after March 5th (when the State of Emergency was declared), you will have until 30 days after the

State of Emergency is rescinded (a date to be determined) to renew your license. CE classes required for renewal of the extended license, may also be taken during this extension timeframe.

During the emergency, the Real Estate Commission's office is closed to the public. Telephone calls to the Commission's main number are answered with the information that all real estate licenses scheduled to expire during the State of Emergency are extended until May 1, 2020.

For licensees who have completed their continuing education requirements and are otherwise eligible to renew, the electronic licensing portal is available as usual. For licensees who need to complete continuing education, there will be a thirty-day period after the State of Emergency ends to complete education requirements and process a license renewal. So, for example, if the State of Emergency ends on April 13, 2020 and your license expired on March 20, 2020, you will have until May 13, 2020 to complete your required CE and renew your license.

The Real Estate Commission staff is working remotely and responding to email inquiries. The email address to contact the Commission is [d1mrec-labor@maryland.gov](mailto:d1mrec-labor@maryland.gov).

*Prepared by Maryland REALTORS® March 20, 2020; amended March 25, 2020*