

Article - Business Regulation

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§4.5–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Consumer” means an owner or a contract purchaser.
- (c) “Contract purchaser” means a person who has entered into a contract with a home builder to purchase a new home, but who has not yet settled on the purchase of the new home.
- (d) “Division” means the Consumer Protection Division of the Office of the Attorney General.
- (e) “Exempt lender” means a lender exempt from the requirements of registration as provided in § 4.5–501(c) of this title.
- (f) “Guaranty Fund” means the Home Builder Guaranty Fund.
- (g) (1) “Home builder” means a person that undertakes to erect or otherwise construct a new home.
 - (2) “Home builder” includes:
 - (i) a custom home builder as defined in § 10–501 of the Real Property Article;
 - (ii) a new home builder subject to § 10–301 of the Real Property Article;
 - (iii) the installer or retailer of a mobile home or an industrialized building intended for residential use; and
 - (iv) a person that enters into a contract with a consumer under which the person agrees to provide the consumer with a new home.
 - (3) “Home builder” does not include:
 - (i) an employee of a registrant who does not hold himself or herself out for hire in home building except as an employee of a registrant;
 - (ii) subcontractors or other vendors hired by the registrant to perform services or supply materials for the construction of a new home who do not otherwise meet the requirements of this title;
 - (iii) the manufacturer of industrialized buildings intended for

residential use or of mobile homes, unless the manufacturer also installs the industrialized buildings or mobile homes;

(iv) a real estate developer who does not construct, or enter into contracts with consumers to provide or construct, homes;

(v) a financial institution that lends funds for the construction or purchase of residential dwellings in the State;

(vi) except as otherwise provided in this title, a person who erects or constructs new homes solely in Montgomery County; or

(vii) a buyer's agent, as defined in § 17-530 of the Business Occupations and Professions Article, when representing a prospective buyer in the purchase of a new home.

(h) "Home builder registration number" means a registration number issued by the Unit to a registrant under this title.

(i) (1) "Home builder sales representative" means an individual employed by a home builder as the home builder's representative to consumers regarding the purchase of a new home from the home builder.

(2) "Home builder sales representative" includes individuals employed by a person who erects or constructs new homes solely in Montgomery County and is not required to register under this title.

(3) "Home builder sales representative" does not include:

(i) an individual employed by an installer or retailer of mobile homes or industrialized buildings intended for residential use; or

(ii) an employee or officer agent for a nonprofit organization, with at least a 2-year record in the State as a developer of affordable housing for persons with low to moderate incomes, in the initial sale of a home if:

1. the home is constructed or rehabilitated by the nonprofit organization; and

2. the purchaser of the home is using federal, State, or local government or other subsidized financing administered by the nonprofit organization for the purpose of assisting individuals with low to moderate incomes to purchase homes.

(j) "Industrialized building" has the meaning stated in § 12-301 of the Public Safety Article.

(k) "Install" has the meaning stated in § 12-301 of the Public Safety Article.

(l) “Mobile home” means a manufactured home as defined in § 12–301 of the Public Safety Article.

(m) (1) “New home” means each newly constructed residential dwelling unit in the State and the fixtures and structure that are made a part of a newly constructed private dwelling unit at the time of construction.

(2) “New home” includes:

(i) a custom home as defined in § 10–501(c) of the Real Property Article;

(ii) a new home to which § 10–301 of the Real Property Article applies;

(iii) an industrialized building intended for residential use; and

(iv) a mobile home.

(n) “New home contract” means an agreement between a home builder and a consumer for the sale or construction of a new home.

(o) (1) “Owner” means a person for whom a new home is built or to whom a new home is sold for occupation by:

(i) that person or the family of that person as a home; or

(ii) the successors of that person in title to the home or a mortgagor in possession.

(2) “Owner” includes a contract purchaser who contracts with a registrant for the construction and purchase of a new home.

(3) “Owner” does not include:

(i) a development company, association, or subsidiary company of a registrant; or

(ii) a person or organization to whom the home may be conveyed by the registrant for a purpose other than residential occupation by that person or organization.

(p) “Principal” means:

(1) a sole proprietor, officer, director, general partner, or limited liability company manager of an applicant or registrant;

(2) a person with at least 10 percent ownership in an applicant or registrant or a subsidiary of an applicant or registrant; and

(3) parents, spouses, and children with a combined 10 percent ownership in an applicant or registrant or a subsidiary of an applicant or registrant.

(q) “Registered sales representative” means a person registered to be a home builder sales representative under this title.

(r) “Registrant” means a person registered to build new homes.

(s) “Registration certificate” means a certificate issued to a registered sales representative by the Unit.

(t) “Registration Fund” means the Home Builder Registration Fund.

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