

SENATE BILL 649

N1

(5lr2462)

ENROLLED BILL

— Judicial Proceedings/Environment and Transportation —

Introduced by ~~Senator Muse~~ Senators Muse and Ramirez

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Real Property – Contract for Sale of New Home**

3 FOR the purpose of ~~repealing a certain exception to the requirement that a contract for the~~
4 ~~initial sale of a new home be contingent on the purchaser obtaining a written~~
5 ~~commitment for a loan secured by the property; making a conforming change~~
6 requiring a contract for the initial sale of a new home to include a certain provision
7 under certain circumstances; authorizing a seller or a purchaser to declare a certain
8 contract void and of no effect under certain circumstances; requiring a seller to
9 return to a purchaser any deposit paid under a certain contract under certain
10 circumstances; *requiring a deposit held by a licensed real estate broker to be*
11 *distributed in accordance with certain provisions of law;* and generally relating to
12 contracts for the sale of property.

13 BY repealing and reenacting, with amendments,
14 Article – Real Property

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Section 14-117(j-1)
 2 Annotated Code of Maryland
 3 (2010 Replacement Volume and 2014 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 5 That the Laws of Maryland read as follows:

6 **Article – Real Property**

7 14-117.

8 (j-1) (1) A contract for the initial sale of a new home, as defined in the Maryland
 9 Home Builder Registration Act, shall be contingent on the purchaser obtaining a written
 10 commitment for a loan secured by the property~~;~~, unless the contract contains a provision
 11 expressly stating that it is not contingent~~;~~.

12 (2) ~~If~~ If the contract is contingent on the purchaser obtaining a written
 13 commitment for a loan secured by the property, the~~;~~ ~~THE~~ contract shall state ~~the~~:

14 (I) ~~THE~~ **THE** maximum loan interest rate the purchaser is obligated to
 15 accept; **AND**

16 (II) ~~THE TIME PERIOD WITHIN WHICH THE PURCHASER MUST~~
 17 **OBTAIN A WRITTEN COMMITMENT FOR A LOAN.**

18 (3) ~~IF A PURCHASER DOES NOT OBTAIN A WRITTEN COMMITMENT FOR~~
 19 **A LOAN IN ACCORDANCE WITH THE TERMS OF THE CONTRACT, INCLUDING TERMS**
 20 **RELATING TO THE TIME PERIOD FOR OBTAINING THE WRITTEN COMMITMENT:**

21 (I) ~~AT THE SELLER'S ELECTION AND ON WRITTEN NOTICE TO~~
 22 **THE PURCHASER, THE SELLER MAY DECLARE THE CONTRACT VOID AND OF NO**
 23 **EFFECT; OR**

24 (II) ~~ON WRITTEN NOTICE TO THE SELLER ACCOMPANIED BY~~
 25 **WRITTEN DOCUMENTATION FROM A LENDER EVIDENCING THE PURCHASER'S**
 26 **INABILITY TO OBTAIN A LOAN IN ACCORDANCE WITH THE TERMS OF THE CONTRACT,**
 27 **THE PURCHASER MAY DECLARE THE CONTRACT VOID AND OF NO EFFECT.**

28 (4) (I) ~~THE SELLER SHALL RETURN TO THE PURCHASER ANY~~
 29 **DEPOSIT PAID UNDER THE CONTRACT IF:**

30 ~~(1)~~ **1. THE PURCHASER HAS COMPLIED WITH THE**
 31 **PURCHASER'S OBLIGATIONS UNDER THE CONTRACT; AND**

1 ~~(H)~~ **2. THE PURCHASER OR THE SELLER HAS DECLARED THE**
2 **CONTRACT VOID AND OF NO EFFECT UNDER PARAGRAPH (3) OF THIS SUBSECTION.**

3 **(II) IF THE DEPOSIT IS HELD BY A LICENSED REAL ESTATE**
4 **BROKER, THE DEPOSIT SHALL BE DISTRIBUTED IN ACCORDANCE WITH § 17-505 OF**
5 **THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2015.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.