

Chapter 472

(House Bill 1183)

AN ACT concerning

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

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

BY repealing and reenacting, with amendments,  
Article – Real Property  
Section 14–117(j–1)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2014 Supplement)

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

**Article – Real Property**

14–117.

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

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

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

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

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

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

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

**(4) (i) THE SELLER SHALL RETURN TO THE PURCHASER ANY DEPOSIT PAID UNDER THE CONTRACT IF:**

**1. THE PURCHASER HAS COMPLIED WITH THE PURCHASER'S OBLIGATIONS UNDER THE CONTRACT; AND**

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

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

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

Approved by the Governor, May 12, 2015.