

CHAPTER 92

(Senate Bill 657)

AN ACT concerning

Real Property – New Home Sales Contracts – Financing Contingency Clauses

FOR the purpose of requiring a contract for the sale of a certain home to ~~include a certain provision stating whether the contract is~~ be contingent on a certain condition unless the contract expressly states otherwise; requiring a certain contract to state certain information if it is contingent on a certain condition; and generally relating to contracts for the sale of a new home.

BY repealing and reenacting, ~~with~~ without amendments,
Article – Real Property
Section 14–117(j)
Annotated Code of Maryland
(2003 Replacement Volume and 2008 Supplement)

BY adding to
Article – Real Property
Section 14–117(j–1)
Annotated Code of Maryland
(2003 Replacement Volume and 2008 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) This subsection applies to Baltimore City and all other counties except Montgomery County.

(2) A contract for the initial sale of a new home, as defined in the Maryland Home Builder Registration Act, shall include the following:

(i) The builder registration number of the seller of the new home;

(ii) A provision stating that the new home shall be constructed in accordance with all applicable building codes in effect at the time of the construction of the new home;

(iii) A provision referencing all performance standards or guidelines:

1. That the seller shall comply with in the construction of the new home; and

2. That shall prevail in the performance of the contract and any arbitration or adjudication of a claim arising from the contract; ~~and~~

(iv) A provision detailing the purchaser's right to receive a consumer information pamphlet as provided under the Home Builder Registration Act; ~~AND~~

~~(v) 1. A PROVISION STATING WHETHER THE CONTRACT IS CONTINGENT ON THE PURCHASER OBTAINING A WRITTEN COMMITMENT FOR A LOAN SECURED BY THE PROPERTY; AND~~

~~2. IF THE CONTRACT IS CONTINGENT ON THE PURCHASER OBTAINING A WRITTEN COMMITMENT FOR A LOAN SECURED BY THE PROPERTY, THE MAXIMUM LOAN INTEREST RATE THE PURCHASER IS OBLIGATED TO ACCEPT.~~

(3) The performance standards or guidelines described in paragraph (2) of this subsection shall be:

(i) The performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or
2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable;

(ii) Any performance standards or guidelines adopted by the home builder and incorporated into the contract that are equal to or more stringent than the performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or
2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable; or

(iii) Any performance standards or guidelines adopted at the time of the contract by a county or municipal corporation that are equal to or more

stringent than the performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or
2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable.

(4) The information required by paragraph (2) of this subsection shall be printed in conspicuous type.

(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 THE CONTRACT IS CONTINGENT ON THE PURCHASER OBTAINING A WRITTEN COMMITMENT FOR A LOAN SECURED BY THE PROPERTY, THE CONTRACT SHALL STATE THE MAXIMUM LOAN INTEREST RATE THE PURCHASER IS OBLIGATED TO ACCEPT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2009.

Approved by the Governor, April 14, 2009.