

HOUSE BILL 1183

N1

5lr2935
CF SB 649

By: **Delegate Knotts**

Introduced and read first time: February 23, 2015

Assigned to: Rules and Executive Nominations

Re-referred to: Environment and Transportation, April 3, 2015

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 4, 2015

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
15 Section 14–117(j–1)
16 Annotated Code of Maryland
17 (2010 Replacement Volume and 2014 Supplement)

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

20 **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.



1 14-117.

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

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

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

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

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

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

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

22 (4) (I) THE SELLER SHALL RETURN TO THE PURCHASER ANY
23 DEPOSIT PAID UNDER THE CONTRACT IF:

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

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

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

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