

# SENATE BILL 649

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5lr2462  
CF HB 1183

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By: ~~Senator Muse~~ **Senators Muse and Ramirez**

Introduced and read first time: February 6, 2015

Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 2015

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## 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; and generally relating to contracts for the sale of property.

11 BY repealing and reenacting, with amendments,  
12 Article – Real Property  
13 Section 14–117(j–1)  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2014 Supplement)

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

18 **Article – Real Property**

19 14–117.

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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.



(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~~f~~, unless the contract contains a provision expressly stating that it is not contingent~~f~~.

(2) ~~f~~If the contract is contingent on the purchaser obtaining a written commitment for a loan secured by the property, the~~f~~ ~~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) THE SELLER SHALL RETURN TO THE PURCHASER ANY DEPOSIT PAID UNDER THE CONTRACT IF:

(I) THE PURCHASER HAS COMPLIED WITH THE PURCHASER'S OBLIGATIONS UNDER THE CONTRACT; AND

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

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