

Article - Real Property

§10-802.

(a) (1) In this section the following words have the meanings indicated.

(2) “Escrow agent” means a person engaged in the business of residential real estate settlements who receives trust money.

(3) “Residential real estate” means:

(i) Real property improved by four or fewer single-family dwelling units that are designed principally and are intended for human habitation; and

(ii) Unimproved real property zoned for residential use by the local zoning authority of the county or municipality in which the real property is located.

(4) “Trust money” means a deposit made by a purchaser in connection with a residential real estate sales transaction that the purchaser delivers to an escrow agent to hold for the benefit of the purchaser and the seller.

(b) This section does not apply to:

(1) Banks, trust companies, savings and loan associations, savings banks, or credit unions;

(2) A homebuilder registered under Title 4.5 of the Business Regulation Article who is engaged in the initial sale of residential real estate; or

(3) A real estate salesperson, associate real estate broker, or real estate broker licensed under Title 17 of the Business Occupations and Professions Article.

(c) When an escrow agent agrees to hold trust money, the escrow agent shall enter into a written agreement with the purchaser and seller of the residential real estate that contains the following information:

(1) The amount of the trust money delivered to the escrow agent;

(2) The date the trust money was delivered to the escrow agent;

(3) The responsibility of the escrow agent to notify the purchaser and seller of trust money returned due to dishonored funds;

(4) The conditions under which the escrow agent may release the trust money; and

(5) The process to address disputes over the release of the trust money.

(d) If a purchaser terminates a real estate transaction in accordance with § 10–803 of this subtitle, the escrow agent shall distribute the trust money to the purchaser in accordance with the requirements of this section.

(e) Nothing in this section may be construed to prohibit an escrow agent from transferring trust money to another escrow agent if the purchaser of the residential real estate for which the trust money is held chooses the escrow agent to whom the trust money is transferred.