

Article - Real Property

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§10–715.

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

(2) “Residential property” means property improved by four or fewer single-family dwelling units that are designed principally and are intended for human habitation.

(3) “Wholesale buyer” means a person that enters into a contract of sale with an owner of owner-occupied residential property in order to assign the contract to another person for a monetary assignment fee.

(4) “Wholesale seller” means a person that, without holding legal title to owner-occupied residential property:

(i) Enters into a contract of sale for the property; and

(ii) Assigns the person’s beneficial interest in the property to another.

(b) This section does not apply to a sale proceeding under § 14–215 of the Maryland Rules.

(c) (1) Before entering into a contract of sale for residential property, a wholesale buyer shall disclose in writing to the owner of the property that the wholesale buyer may assign the contract of sale to another person.

(2) Before assigning a contract of sale for residential property, a wholesale seller shall disclose in writing to a prospective assignee that the wholesale seller holds an equitable interest in the property and may not be able to convey title to the property.

(d) Notwithstanding any provision of a contract of sale or any other agreement, an owner of residential property may rescind a contract of sale to a wholesale buyer, or the assignee or successor of a wholesale buyer, without penalty at any time before closing if the wholesale buyer:

(1) Does not provide notice in accordance with the requirements of this section; and

(2) Assigns the contract of sale.

(e) (1) Notwithstanding any provision of a contract of sale or any other agreement, an assignee may rescind the agreement to purchase under the assigned contract of sale for residential property without penalty at any time before closing if a wholesale seller does not provide notice in accordance with the requirements of this section.

(2) An assignee that rescinds a contract under paragraph (1) of this subsection is entitled to a refund of any deposit paid in connection with the assignment of a contract of sale of the residential property.

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