

Former Art. 56, § 227A-1(c)(2) conditioned the investment of trust money by a real estate broker on instructions to the broker by either the client (i.e., the owner) or the beneficial owner of the trust money, but appeared to require that if the authority were to be provided by agreement, both the owner and beneficial owner had to be a party to the agreement. This inconsistency did not appear to be intentional. Therefore, subsection (c)(1) of this section is revised to require that both the owner and beneficial owner of trust money instruct the real estate broker on investment of trust money.

Defined terms: "Beneficial owner" § 4-501  
 "Real estate" § 4-101 "Real estate broker" § 4-101  
 "Trust money" § 4-501

4-506. ACCOUNTS EARNING INTEREST TO BENEFIT MARYLAND HOUSING RESOURCE CORPORATION.

(A) IN GENERAL.

SUBJECT TO THIS SECTION:

(1) IF THE OWNER OR AND BENEFICIAL OWNER DOES DO NOT INSTRUCT OTHERWISE, A REAL ESTATE BROKER MAY DEPOSIT TRUST MONEY, EXCEPT RENTAL SECURITY DEPOSITS, IN AN ACCOUNT THAT EARNS INTEREST PAYABLE TO THE MARYLAND HOUSING RESOURCE CORPORATION ESTABLISHED UNDER TITLE 13, SUBTITLE 6 OF THE FINANCIAL INSTITUTIONS ARTICLE; AND

(2) THE DECISION WHETHER TO DEPOSIT TRUST MONEY IN SUCH AN ACCOUNT SHALL BE IN THE SOLE DISCRETION OF THE REAL ESTATE BROKER.

(B) ESTABLISHMENT OF ACCOUNT; DEPOSIT OF TRUST MONEY.

A REAL ESTATE BROKER MAY:

(1) ESTABLISH IN A FINANCIAL INSTITUTION MEETING THE REQUIREMENTS OF § 4-503 OF THIS SUBTITLE AN INTEREST BEARING ACCOUNT ALL INTEREST ON WHICH IS PAYABLE TO THE MARYLAND HOUSING RESOURCE CORPORATION, EXCLUSIVELY FOR THE CHARITABLE PURPOSES SET FORTH IN THE STATUTORY CHARTER OF THAT CORPORATION; AND

(2) DEPOSIT AND COMMINGLE IN THAT ACCOUNT THE TRUST MONEY OF ANY OWNER OR BENEFICIAL OWNER WITH THE TRUST MONEY OF OTHER OWNERS AND BENEFICIAL OWNERS.

(C) COMPLIANCE WITH REQUIREMENTS.