

FOR the purpose of prohibiting a real estate broker and certain other persons from requiring a buyer of a single-family dwelling to employ a particular mortgage ~~company~~ lender or financial institution as a condition of settlement; modifying a disclosure provision to reflect the prohibition; making a certain exception; making certain technical and conforming changes; providing for a delayed effective date; and generally relating to real estate brokers.

BY repealing and reenacting, with amendments,

Article – Business Occupations and Professions

Section 16-524 and 16-607

Annotated Code of Maryland

(1989 Volume and 1990 Supplement)

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

Article – Business Occupations and Professions

16-524.

(a) Each real estate contract submitted to a party by a real estate broker, an associate real estate broker, or a real estate salesperson for use in the sale of a [single family] SINGLE-FAMILY dwelling shall contain, in bold-faced type, a statement that the buyer has the right to select the buyer's own:

(1) title insurance company;

(2) settlement company;

(3) escrow company; [or]

(4) MORTGAGE LENDER, OR FINANCIAL INSTITUTION AS DEFINED IN THE FINANCIAL INSTITUTIONS ARTICLE; OR

~~[(4)]~~ (5) title lawyer.

(B) THE STATEMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL ALSO CONTAIN, IN BOLD-FACED TYPE, A STATEMENT THAT A SELLER MAY NOT BE PROHIBITED FROM OFFERING OWNER FINANCING AS A CONDITION OF SETTLEMENT.

~~(b)~~ (C) A real estate contract is not rendered invalid by the omission of the statement to the buyer required under ~~subsection (a)~~ SUBSECTIONS (A) AND (B) of this section.

16-607.

(A) ~~In~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B) OF THIS SECTION, IN a real estate transaction involving a [single family] SINGLE-FAMILY dwelling, a real estate broker, an associate real estate broker, a real estate salesperson, or a lawyer acting as a real estate broker may not require a buyer, as a condition of settlement, to employ a particular: