

OCCUPANCY PERMIT FOR A NEW HOME IF THE NEW HOME IS BUILT ON YOUR OWN PROPERTY, WHICHEVER IS EARLIER, YOU WILL BE PROVIDED WITH EVIDENCE THAT A NEW HOME WARRANTY EXISTS FOR YOUR NEW HOME AND THAT COVERAGE BEGINS ON THAT DATE. YOU WILL BE PROVIDED WITH A SIGNED NEW HOME WARRANTY WITHIN 60 DAYS FROM THE DATE THE COVERAGE BEGINS.

THE TERMS USED IN THIS NOTICE SHALL HAVE THE SAME MEANINGS AS PROVIDED IN TITLE 10, SUBTITLE 6 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND."

10-606.

(A) A NEW HOME WARRANTY SECURITY PLAN SHALL:

(1) PROVIDE FOR THE PAYMENT OF CLAIMS AGAINST A BUILDER FOR DEFECTS WARRANTED UNDER THIS SUBTITLE;

(2) BE OPERATED BY A CORPORATION, PARTNERSHIP, OR OTHER LEGAL ENTITY AUTHORIZED TO DO BUSINESS IN MARYLAND;

(3) DEMONSTRATE TO THE SECRETARY THAT THE PLAN WILL MAINTAIN FINANCIAL SECURITY TO COVER THE TOTAL NUMBER OF CLAIMS THAT THE PLAN REASONABLY ANTICIPATES WILL BE FILED AGAINST PARTICIPATING BUILDERS;

(4) FILE WITH THE SECRETARY A SURETY BOND OR AN IRREVOCABLE LETTER OF CREDIT FROM A FEDERALLY INSURED FINANCIAL INSTITUTION IN AN AMOUNT SET BY THE SECRETARY, BUT NOT LESS THAN \$100,000, FOR THE BENEFIT OF OWNERS INJURED BY THE FAILURE OF THE NEW HOME WARRANTY SECURITY PLAN TO PAY CLAIMS AS REQUIRED UNDER THIS SUBTITLE;

(5) PROVIDE WITHIN THE NEW HOME WARRANTY DOCUMENTS THE PERFORMANCE STANDARDS THAT DESCRIBE THE BUILDER'S OBLIGATIONS FOR DEFECTS WARRANTED UNDER THIS SUBTITLE;

(6) PROVIDE FOR THE MEDIATION OF DISPUTES BETWEEN AN OWNER AND A BUILDER BEFORE A CLAIM WILL BE PAID BY THE BUILDER'S NEW HOME WARRANTY SECURITY PLAN; AND

(7) MEET ANY OTHER REQUIREMENTS DETERMINED BY THE SECRETARY AND BE APPROVED BY THE SECRETARY.

(B) (1) THE SECRETARY MAY REVOKE OR SUSPEND APPROVAL FOR A NEW HOME WARRANTY SECURITY PLAN IF THE SECRETARY DETERMINES THAT THE PLAN: