

(a) (1) The Maryland Real Estate Commission shall establish and maintain a real estate guaranty fund from which, subject to the provisions of this section, any person aggrieved by [any action of] a real estate broker or real estate salesman, duly licensed in this State, PERFORMING ANY ACTION FOR WHICH THAT LICENSE IS REQUIRED BY THIS SUBTITLE, OR THE UNLICENSED EMPLOYEE OF ANY REAL ESTATE BROKER, arising out of a real estate transaction involving real estate located in this State, [and] by reason of the theft OR EMBEZZLEMENT of money or property, or money or property unlawfully obtained from any person by FALSE PRETENSE, ARTIFICE, TRICKERY, OR forgery or by reason of any fraud, misrepresentation or deceit [by or on the part of any such real estate broker or real estate salesman or the unlicensed employee of any such real estate broker, or by reason of a violation of this subtitle by such broker, salesman, or employee may recover compensation in the amount] MAY RECOVER COMPENSATION of his actual loss as proven before the Commission IN AN AMOUNT NOT EXCEEDING \$25,000 IN CONSIDERATION OF ANY CLAIM. EACH AND EVERY REAL ESTATE BROKER SHALL GIVE WRITTEN DISCLOSURE WARNING TO THE PURCHASER IN THE SALES CONTRACT THAT THE PURCHASER IS NOT PROTECTED BY THE FUND IN AN AMOUNT IN EXCESS OF \$25,000.

(2) FOR PURPOSES OF THIS SECTION, "REAL ESTATE TRANSACTION" DOES NOT INCLUDE THE PURCHASE OF ANY INTEREST IN A LIMITED PARTNERSHIP WHOSE PURPOSE IS TO INVEST IN REAL ESTATE, A JOINT VENTURE PROMOTED BY A LICENSED REAL ESTATE BROKER OR SALESMAN FOR THE PURPOSE OF INVESTMENT IN REAL ESTATE BY TWO OR MORE PEOPLE, OR THE PURCHASE OF COMMERCIAL PAPER SECURED BY REAL ESTATE.

(3) ANY PERSON WHO FILES A CLAIM UNDER THIS SUBSECTION SHALL FILE A VERIFIED CLAIM WITH THE COMMISSION STATING THE AMOUNT CLAIMED AS WELL AS THE FACTS AND CIRCUMSTANCES GIVING RISE TO THE CLAIM ALONG WITH ANY DOCUMENTATION OR OTHER EVIDENCE IN SUPPORT OF THE CLAIM. A PERSON FILING A CLAIM MAY NOT BE A SPOUSE OF THE LICENSEE OR UNLICENSED EMPLOYEE ALLEGED TO BE RESPONSIBLE FOR THE CLAIM, OR THE PERSONAL REPRESENTATIVE OF SUCH A SPOUSE.

(4) UPON RECEIPT OF THE CLAIM, THE COMMISSION SHALL NOTIFY THE LICENSEES ALLEGED TO BE RESPONSIBLE FOR THE CLAIM AND MAY SET THE MATTER FOR HEARING. THE COMMISSION SHALL DIRECT PAYMENT FROM THE REAL ESTATE GUARANTY FUND OF WHATEVER SUM IT FINDS TO BE PAYABLE UNDER THE PROVISIONS OF AND IN ACCORDANCE WITH THE LIMITATIONS CONTAINED IN THIS SUBSECTION.

(5) PAYMENT FROM THIS GUARANTY FUND OF ANY SUM TO AN AGGRIEVED PERSON UNDER THIS SUBSECTION SHALL VEST IN THE COMMISSION OR ITS DESIGNEE A CAUSE OF ACTION FOR REIMBURSEMENT TO THE FUND WITH INTEREST OF ANY MONEYS PAID ON ACCOUNT OF THE LICENSEE FOUND BY THE COMMISSION TO BE RESPONSIBLE FOR THE CLAIM. PAYMENT SHALL BE CONDITIONED UPON A SHOWING BY THE COMMISSION OR ITS DESIGNEE THAT: