(2) Paying documented claims of persons who have furnished labor or material, including fuel, in connection with the -{-custom-}- home contract for which the funds were advanced;

(3) Paying a sum of money to the -{-custom home-}- builder if the buyer forfeits the sum under the terms of the contract of sale; or

(4) Final payment upon the issuance of an occupancy permit or possession.

(c) In lieu of the escrow account required under subsection (a) of this section, a -{-custom home-}- builder may establish and maintain a separate escrow account for each -{-custom-}- home contract for which he receives consideration that he would be required to place into escrow under subsection (a). Each individual escrow account shall require the signature of both the buyer and the -{-custom home-}- builder for any withdrawal. Deposits and withdrawals to and from this account shall be governed by the requirements of subsections (a) and (b) of this section.

(d) (1) In lieu of the escrow accounts required under subsection (a) or (c) of this section, a -{-custom home-}- builder may obtain and maintain a corporate surety bond in the form and in the amounts required of a vendor or builder under § 10-302 of this title.

(2) The surety bond obtained shall be conditioned on the return of the sum to the buyer in the event the buyer becomes entitled to the return of the money.

(3) The -{-custom home-}- builder shall maintain the surety bond until the -{-custom home-}- builder complies with § 9-114 of this article.

(E) THIS SECTION DOES NOT APPLY TO:

(1) A CUSTOM HOME CONTRACT FINANCED BY A MORTGAGE LOAN ISSUED BY A FEDERALLY CHARTERED FINANCIAL INSTITUTION OR A FINANCIAL INSTITUTION REGULATED UNDER THE FINANCIAL INSTITUTIONS ARTICLE; AND

(2) A SALE BY OR THROUGH A LICENSED REAL ESTATE BROKER IN CONNECTION WITH WHICH ALL SUMS OF MONEY IN THE NATURE OF DEPOSITS, ESCROW MONEY, OR BINDER MONEY ARE PAID TO A BROKER TO BE HELD IN THE ESCROW ACCOUNT OF THE BROKER.

10-505.

Every-{custom}-home-contract-between-a-{custom-home}-builder and-the-buyer-must-be-in-writing.---The--{custom--home}--contract shall: