

(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 AN 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.

10-506.

(a) (1) A custom home builder must include in each custom home contract a disclosure concerning the buyer's risk under mechanics' lien laws.

(2) The disclosure concerning the buyer's risk under mechanics' lien laws under paragraph (3) of this subsection shall:

(i) Be on a separate page of the custom home contract; and

(ii) Be separately signed by the buyer.

(3) The disclosure required under paragraph (1) of this subsection shall state:

"Buyer's risk under mechanics' lien laws unless you take certain steps to protect your interests, a subcontractor, materialman, or supplier may become entitled to place a lien against your property in order to ensure payment to him for services rendered or goods delivered on or to your home. This could mean that your home could be sold to satisfy the lien.

You may protect against such a possibility by:

(1) Promptly paying incremental amounts due under the contract and requiring an express accounting from your contractor of the goods and/or services that are covered by each payment; and