

(3) ANY COMBINATION OF THESE ACCOUNTS.

SUBCOMMITTEE COMMENT: This section is new language derived without substantive change from former Art. 56, § 227A(b).

The Joint Subcommittee on the Business Occupations Article interpreted former Art. 56, § 227A to authorize a real estate broker to place trust money in either a noninterest bearing checking account or an interest bearing savings account on which the interest is payable to the owner or beneficial owner of the trust money. The Joint Subcommittee found these options to exist in addition to the broker's option of depositing the trust money in an interest bearing account the interest on which is payable to the Maryland Housing Resource Corporation. However, representatives of the Commission and of the industry advised the Joint Subcommittee that there never was an intention to give a real estate broker authority to place trust money in an interest bearing account (other than an account the interest on which is payable to the Maryland Housing Resource Corporation) unless the broker was acting under instructions or pursuant to an agreement, as authorized under § 4-505(c) of this subtitle. These representatives also stated that they were opposed to any provision in the law that would allow a real estate broker to determine, in the broker's own discretion, to deposit trust money in an interest bearing account. Therefore, in deference to these representatives, the Joint Subcommittee recommended that, under the revised law, a real estate broker should not be allowed to elect, on the broker's own authority, to deposit trust money in an interest bearing account, unless the interest is payable to the Housing Resource Corporation. Based on this recommendation, in item (2) of this section, the words "noninterest bearing" are added to modify expressly the term "savings account".

The former reference to depositing trust money in "1 or more" savings accounts is deleted as unnecessary in light of Art. 1, § 8 of the Code, which provides that the singular includes the plural.

Defined terms: "Beneficial owner" § 4-501
 "Real estate broker" § 4-101
 "Trust money" § 4-501

4-505. MAINTENANCE AND DISPOSITION OF TRUST MONEY.