

VETOES

(1) Deposit or hold the sum in an escrow account segregated from all other funds of the vendor or builder to assure the return of the sum to the purchaser in the event the purchaser becomes entitled to a return of the sum; [or]

(2) Obtain and maintain a corporate surety bond in the form and in the amounts set forth in § 10-302 of this subtitle, conditioned on the return of the sum to the purchaser in the event the purchaser becomes entitled to the return of the money; OR

(3) OBTAIN AND MAINTAIN AN IRREVOCABLE LETTER OF CREDIT ISSUED BY A MARYLAND BANK IN THE FORM AND IN THE AMOUNTS SET FORTH IN § 10-303 OF THIS SUBTITLE.

(b) Except as provided under subsection (c) of this section, the vendor or builder shall maintain the escrow account [or], surety bond, OR IRREVOCABLE LETTER OF CREDIT until the happening of the earlier of:

(1) The granting of a deed to the property on which the residential unit is located to the purchaser;

(2) The return of the sum of money to the purchaser;
or

(3) The forfeiture of the sum by the purchaser, under the terms of the contract of sale relating to the purchase of the residential unit.

(c) A vendor or builder does not violate the vendor's or builder's legal or ethical duties under this section by paying interest money earned on the escrow account into the Housing Resource Fund established under Title 13, Subtitle 6 of the Financial Institutions Article.

10-302.

(a) The bond shall be payable to the State for the use and benefit of every person protected by the provisions of this subtitle. The vendor or purchaser shall deposit the bond with the [Insurance] Division OF CONSUMER PROTECTION OF THE OFFICE OF THE ATTORNEY GENERAL.

(b) The corporate surety bond obtained pursuant to the provisions of § 10-301(a) shall be in a form approved by the [Insurance] Division OF CONSUMER PROTECTION OF THE OFFICE OF THE ATTORNEY GENERAL. The bond may be either in the form of an individual bond for each deposit accepted by a vendor or builder or if the total amount of money and deposits accepted by the builder or vendor exceeds \$10,000, it may be in the form of a