

~~(7) PROVIDE THE BUYER THE CHOICE BETWEEN USING THE BUILDER'S ESCROW ACCOUNT AS PROVIDED IN § 10-504(A) OF THIS SUBTITLE OR AN INDIVIDUAL ESCROW ACCOUNT AS PROVIDED IN § 10-504(C) OF THIS SUBTITLE UNLESS:~~

~~(I) THE BUILDER HAS A BOND QUALIFIED UNDER § 10-504(D) OF THIS SUBTITLE; OR~~

~~(II) NO ESCROW ACCOUNT IS REQUIRED PURSUANT TO § 10-504(E) OF THIS SUBTITLE.~~

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] YOUR BUILDER PAYS EACH subcontractor, materialman, or supplier, THE SUBCONTRACTOR, MATERIALMAN, OR SUPPLIER may become entitled to place a lien against your property in order to ensure payment to [him] THE SUBCONTRACTOR, MATERIALMAN, OR SUPPLIER for services rendered or goods delivered on or to your home. This could mean that your home could be sold to satisfy the lien. YOUR BUILDER IS REQUIRED BY LAW TO GIVE YOU PERIODIC REPORTS THAT ~~EXPLAIN WHAT WORK HAS BEEN DONE, WHICH EXPENSES AND SUBCONTRACTORS HAVE BEEN PAID, AND WHICH SUBCONTRACTORS ARE STILL OWED MONEY. THE BUILDER MUST DELIVER A REPORT TO YOU AND YOUR FINANCING INSTITUTION AT LEAST 5 DAYS BEFORE EACH SUBSEQUENT PROGRESS PAYMENT IS REQUESTED OR WITHDRAWN BY THE BUILDER~~ LIST THE SUBCONTRACTORS, SUPPLIERS, AND MATERIALMEN WHO HAVE PROVIDED MORE THAN \$500 OF GOODS OR SERVICES TO YOUR CUSTOM HOME, AND INDICATE WHETHER THEY HAVE BEEN PAID. IF AT ANY TIME YOU HAVE ANY QUESTIONS OR CONCERNS ABOUT A PROGRESS REPORT, WHETHER A SUBCONTRACTOR HAS BEEN PROPERLY PAID YOU SHOULD DISCUSS THEM WITH YOUR BUILDER ~~AND, YOUR SUBCONTRACTOR, AND YOUR FINANCING INSTITUTION.~~

[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