

CAPITOL ♦ TITLE

MAR MAKES REVISIONS IN OCTOBER, 2011 CONTRACT FORMS

The Maryland Association of Realtors (“MAR”) has made the following changes to the MAR Contract forms, which have been incorporated into the October 1, 2011 revisions:

MAR Residential Contract of Sale

Paragraph 16 (the Lead Paint Paragraph) has been revised to include a provision referring to the Lead Renovation, Repair and Painting Rule (the, “Rule”) adopted by the EPA in April, 2010 and advises that contractors hired to do certain kinds of work on property constructed prior to 1978 (i. e. work that will disturb more than 6 square feet of lead-based paint per room for interior projects; more than 20 square feet of lead-based paint for any exterior project; or includes window replacement or demolition (“Covered Work”)) must be certified by the EPA and must comply with the all requirements of the Rule. The revision also provides that a Seller which performs Covered Work on a rental property is also required to be certified by the EPA prior to performing the work. No EPA certification is required for a Seller who personally performs Covered Work on the Seller’s principal residence.) For additional information on this Rule, go to www.epa.gov/lead/pubs/renovation.htm.

Paragraph 19 (the Deposit Paragraph) has been revised to comply with a newly enacted statute (HB 1109) which will become effective October 1, 2011, and which clarifies that brokers must follow the current rules under 17-505 of the Business Occupations and Professions Article for returning deposit money when state law permits a buyer to rescind a contract of sale. In order to return deposit money, 17-505 requires: (i) an agreement of the parties; an interpleader action; or (ii) a determination by the broker of who should receive the money and notification to the parties of the decision. This process must be followed even if the property is subject to a condo, HOA or Co-op regime.

Paragraph 50 (the Notice to Parties Paragraph) has been revised to add language stating that agents and brokers make no representations with respect to whether properly licensed contractors were used to make covered repairs.

Unimproved Land Contract

Paragraph 7(b) of the Payment Terms Paragraph has been revised to render it consistent with Paragraph 7(b) of the MAR Residential Contract of Sale which allows the parties to determine how any additional deposit will be handled.

Cash/Conventional Financing Appraisal Contingency Addendum

A technical change was made to this form deleting the word “offer” from the heading.

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