

Home Builder Guaranty Fund

During the 2008 session, the General Assembly enacted legislation that creates a Guaranty Fund in the Consumer Protection Division to protect consumers who purchase new homes in Maryland. The Guaranty Fund is similar to the existing fund operated by the Maryland Home Improvement Commission. Consumers who have problems with their new homes that are not addressed by the builder will be able to file claims against the Guaranty Fund.

The Guaranty Fund applies only to contracts entered into between consumers and home builders after January 1, 2009.

Permit Offices are required to collect from home builders a Guaranty Fund fee of \$50 with each application for a permit for construction of a new home, including new homes, custom homes, mobile homes, modular homes, and condominiums. The Town of La Plata must collect this fee on behalf of the State of Maryland.

Landowners who are performing construction of a home they intend to live in on their own land and who submit a Landowner Affidavit to the Permit Office are not required to pay the \$50 Guaranty Fund fee.