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Prince George's County

Chair

Economic Matters Committee



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The Maryland House of Delegates

ANNAPOLIS, MARYLAND 21401

Testimony in Support

of

HB 116 - Home Builder Guaranty Fund - Award Limitations - Revisions

During the 2008 Session of the Maryland General Assembly, the Economic Matters Committee passed legislation establishing the Home Builder Guaranty Fund to compensate claimants for an actual loss that results from an act or omission by a registered homebuilder in Maryland. The fund is administered by the Consumer Protection Division of the Office of the Attorney General.

This Guaranty Fund protects buyers of new homes who purchase a new home from a registered home builder and suffer an actual loss as the result of:

- Incomplete construction of a new home;
- Breach of an express or implied warranty;
- Failure to meet construction standards or guidelines; or
- Failure to return a deposit or other payment to which the home buyer is entitled.

In 2008, the legislation capped the total amount payable to all claimants at \$300,000 for acts or omissions of one registered home builder before that registered builder reimburses the fund.

This bill raises the maximum amount payable from \$300,000 to \$500,000. I request a favorable report on HB 116.