

§6203-H. Option contract for purchase of real property or rent-to-own real property

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Option contract for the purchase of real property or rent-to-own real property" means an agreement for the occupancy of purchaser-occupied residential real property of no more than 4 units that is the primary residence of the purchaser in which the purchaser is required to make an initial payment in excess of 4 times the periodic monthly payments required to occupy the premises and any agreement in which a person is induced to occupy such property as a primary residence by a promise or offer to grant ownership of the property to the person at a future date, at the option of the purchaser. [PL 2021, c. 350, §2 (NEW).]

B. "Purchaser" means a person who enters into an option contract for the purchase of real property or rent-to-own real property and thereby obtains an option to purchase the real property. [PL 2021, c. 350, §2 (NEW).]

C. "Vendor" means the owner of real property that is the subject of an option contract for the purchase of real property or rent-to-own real property and who enters into an option contract for the purchase of real property or rent-to-own real property for that real property. A vendor is a creditor under Title 9-A, section 1-301, subsection 17, except that an individual who engages in no more than 2 transactions per year and not more than 4 in a 5-year period may not be considered a creditor for purposes of Title 9-A, section 1-301, subsection 17. [PL 2021, c. 350, §2 (NEW).]
[PL 2021, c. 350, §2 (NEW).]

2. Requirements. An option contract for the purchase of real property or rent-to-own real property must:

A. Be in writing; [PL 2021, c. 350, §2 (NEW).]

B. Include a statement that the vendor has inspected the property to be conveyed and certifies that the property is in compliance with sections 6021 and 6021-A, subject to the provisions of section 6021, subsection 5 authorizing a waiver for a stated reduction in payment or other specified fair consideration; [PL 2021, c. 350, §2 (NEW).]

C. Identify the party required to maintain the premises in compliance with sections 6021 and 6021-A; [PL 2021, c. 350, §2 (NEW).]

D. State the amount of the initial payment to secure the option contract for the purchase of real property or rent-to-own real property; [PL 2021, c. 350, §2 (NEW).]

E. State the amount of the monthly payment due; [PL 2021, c. 350, §2 (NEW).]

F. State the date by which the option contract for the purchase of real property or rent-to-own real property must be exercised; [PL 2021, c. 350, §2 (NEW).]

G. State the amount due to exercise the option contract for the purchase of real property or rent-to-own real property; [PL 2021, c. 350, §2 (NEW).]

H. Identify the party responsible to make payments for any real property taxes and homeowner's insurance; [PL 2021, c. 350, §2 (NEW).]

I. State whether the amounts paid for rent, property taxes or homeowner's insurance will be deducted from the amount due to exercise the option contract for the purchase of real property or rent-to-own real property; [PL 2021, c. 350, §2 (NEW).]

J. Include a termination clause that recites the provisions set forth in subsection 4; [PL 2021, c. 350, §2 (NEW).]

K. Include a clear and conspicuous provision above the place for the signature of the purchaser that acknowledges receipt by the purchaser of a copy of the option contract for the purchase of real property or rent-to-own real property; and [PL 2021, c. 350, §2 (NEW).]

L. Include language that in the event the option contract for the purchase of real property or rent-to-own real property is not exercised, the vendor shall return to the purchaser any amounts paid by the purchaser to the vendor at the commencement of the option contract for the purchase of real property or rent-to-own real property in excess of the lesser of:

(1) Four times the monthly rent; and

(2) One percent of the contract price for the purchase of the real property. [PL 2021, c. 350, §2 (NEW).]

[PL 2021, c. 350, §2 (NEW).]

3. Recordation. Within 20 days after the option contract for the purchase of real property or rent-to-own real property has been signed by both the vendor and the purchaser, the vendor shall cause a copy of the option contract for the purchase of real property or rent-to-own real property or a memorandum of the option contract for the purchase of real property or rent-to-own real property to be recorded at the purchaser's expense in the registry of deeds in the county where the real property sold under the option contract for the purchase of real property or rent-to-own real property is located. If a memorandum of the option contract for the purchase of real property or rent-to-own real property is recorded, it must be entitled "Memorandum of a Land Installment Contract" and must at a minimum contain the names of the parties, the signatures of the parties, a description of the real property and the applicable time periods. A person other than a vendor and purchaser may rely on the recorded materials in determining whether the requirements of this subsection have been met.

[PL 2021, c. 350, §2 (NEW).]

4. Termination. The following provisions govern the termination of an option contract for the purchase of real property or rent-to-own real property.

A. An option contract for the purchase of real property or rent-to-own real property may be terminated only pursuant to the eviction process set forth chapter 709 if:

(1) The vendor has entered into not more than one contract in any calendar year or 2 contracts in any 5-year period;

(2) The option contract for the purchase of real property or rent-to-own real property does not require an initial payment of more than 4 times the monthly rent charged for the real property;

(3) The option contract for the purchase of real property or rent-to-own real property requires the vendor to maintain the real property pursuant to the provisions of section 6021, unless a waiver pursuant to the provisions of section 6021, subsection 5 has been entered into, and section 6021-A; and

(4) The vendor has otherwise complied with the requirements of this section. [PL 2021, c. 350, §2 (NEW).]

B. If paragraph A does not apply, an option contract for the purchase of real property or rent-to-own real property may be terminated only pursuant to the foreclosure process set forth in section 6203-F. [PL 2021, c. 350, §2 (NEW).]

[PL 2021, c. 350, §2 (NEW).]

5. Violations. A violation of this section is a violation of the Maine Unfair Trade Practices Act. In addition to any other rights and remedies a purchaser may have in the law, upon a finding that a violation of this section by a vendor has occurred, a court shall find one or more of the following:

A. The purchaser is entitled to recover all actual damages or \$1,000, whichever is greater; [PL 2021, c. 350, §2 (NEW).]

B. The purchaser may rescind the option contract for the purchase of real property or rent-to-own real property and recover all payments made on the contract; and [PL 2021, c. 350, §2 (NEW).]

C. The purchaser is entitled to recover the aggregate amount of costs, expenses and attorney's fees determined by the court to have reasonably been incurred on the purchaser's behalf in connection with the prosecution or defense of the matter. [PL 2021, c. 350, §2 (NEW).]

[PL 2021, c. 350, §2 (NEW).]

SECTION HISTORY

PL 2021, c. 350, §2 (NEW).

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