



THE TC ADVANTAGE

presents

YOUR QUICK GUIDE TO A PERFECT CONTRACT

Don't forget these tips the next time you write up a purchase agreement for your Buyer, or send out a counter for your Seller!

THERE'S A FORM FOR THAT



New Forms are Released every June and December.

Send your suggestions to: carforms@car.org

You can find proposed changes and a detailed summary at www.car.org/legal



December 2016 saw 8 new forms:

ACS - Agent Commission Sharing
BEO - Buyer Early Occupancy
CLCA - Commercial Accessibility
RCSD (Landlord & Tenant)
RPA & Multiple Offer Summary
WCMD - Water Conserving Plumbing Fixtures + CMD



...and 6 revised forms:

ESD - Exempt Seller Disclosure
OA - Option Agreement
PCQ/PRQ - Pay Rent or Quit
SIP - Seller in Possession
SPQ - Seller Property Questionnaire
Prior versions of the ESD, SPQ, PCQ & PRQ are NOT okay to use.

SAY WHAT YOU MEAN



The Home Warranty amount is not a blank check.

Coverage must be ordered per the contract so make sure the price is right and everything is covered! When in doubt, call your rep for the exact price! Don't forget the wine fridge!



ALWAYS complete the financing terms on Page 1!

Gives the Buyer a boundary for the contingency & shows Seller the Buyer is serious. "Best Available" or "Market Rate" creates ambiguity. Blank terms could result in an unenforceable contract!



Stop writing "As-Is" on your Counter Offer and/or Addendum.

Section 11 in the contract already states "As-is" in conjunction with other contract terms. Re-writing it creates ambiguity about those other elements not addressed.

THE MORE YOU KNOW



Don't wait until the last minute to complete your AVID.

If the AVID box is checked on Pg 3 of the TDS, you must include it for the document to be considered "fully completed" Incomplete disclosures allow Buyer contingency delays!



LIQUIDATED DAMAGES can be automatically excluded on a counter if both parties did not initial the terms on the contract. When initialed, Seller's damages are predetermined. BUYER BEWARE! Did you get the contract back with your counter?



There is still an Appraisal contingency on All Cash offers (unless checked to remove). Even if all cash, a Buyer can still get a loan. They must comply with contract deadlines & Seller is not required to assist Buyer (i.e. Lender required repairs, etc)

AND ANOTHER THING...



Rethink that Non-Refundable Deposit strategy.

Section 21A makes it clear that any clause added by parties making a deposit non-refundable is considered invalid. Access to funds can come from liquidated damages.



DON'T BE AFRAID TO DISCLOSE! Sellers may lose credibility or be accused of misrepresentation. Buyers must ask with time to fix! Better to cancel now, than sue later! Agents are at risk of intentional misconduct. Plus, writing it down now helps you remember in court!



Keep CAR Legal on Speed Dial! It's a FREE member benefit! (213) 739-8282 9am-6pm Mon-Fri Download the app for updates! Check the Zipforms library for sample letters & informational flyers

HAVE QUESTIONS? CONTACT US TODAY: (714) 861-5548 OR INFO@THETCADVANTAGE.COM