

IAR Residential Forms

The IAR Residential Forms Revisions will be available from Zipform after January 1, 2008. These revisions were made as a result of statewide member comments and the tireless work of the IAR Forms Committee. As always, please review this guide prior to the release date to facilitate your 2008 transactions. Most of the revisions were “user friendly” and minor clarification changes. However, we do have a few MAJOR changes that we will outline below.

The most significant change will occur to the Independent Inspection Response Form. If the seller fails to respond or fails to request an extension of time to respond, the seller **ACCEPTS** the buyer’s inspection response. A failure to respond will result in a binding contract, not a terminated contract. In the reverse, if a buyer fails to reply or fails to request an extension of time to reply, the buyer **ACCEPTS** the seller’s inspection response. Again, a failure to respond will result in a binding contract, not a terminated contract. All agents need to be well versed in this change to the 2008 IAR Forms.

The same language above was added to the Radon Inspection Response Form for 2008. Make sure your client’s respond to any and all inspection response forms or they will be **accepting** the other side’s response.

If a seller includes an allowance in the Purchase Agreement, there will be language now in the Closing section, Survey section, and Title Approval section of the Purchase Agreement with a box marked “Included in allowance, if provided.” This will clarify whether the allowance provided includes the closing fee, survey and title insurance costs.

Last, but not least, in the Purchase Agreement, TAXES, Paragraph C, “For Recent Construction” will be expanded to include “other tax situations” in addition to recent construction where a party decides to give or request a tax credit. In the present state of tax reassessments all over the state, this will give clients an additional option. This new paragraph will read **FOR RECENT CONSTRUCTION OR OTHER TAX SITUATIONS.**

Below is a formal detailed review of the IAR Forms changes for 2008, which will include the changes discussed above.

2007 (effective 2008) FORMS CHANGES

PURCHASE AGREEMENT

Line 11. together with any existing permanent improvements and fixtures **attached (unless leased or excluded)**, such as **including**, but not limited to . . .

Line 13. attachments thereto, built-in kitchen equipment, sump pumps, water softener, . .

Line 16. dishes and controls, storage barns, all landscaping, mailbox, garage door opener with control(s) AND THE FOLLOWING: . . .

Line 21. **EXCLUDES THE FOLLOWING:**

Line 23. Bold the following: **If Buyer fails for any reason to submit earnest money, Seller may terminate this Agreement.**

Line 49. Delete blank line.

Line 59. ~~CLOSING FEE, SURVEY AND TITLE INSURANCE COSTS ARE NOT INCLUDED ABOVE.~~

Line 77. The closing fee charged by the title insurance company shall be paid by ~~BUYER~~ Buyer ~~SELLER~~ Seller ~~shared~~ Shared equally **Included in allowance, if provided.**

Line 81. Delete blank line.

Line 100. Buyer shall receive a (~~check~~ Check one) . . .

Line 102. ~~BUYER'S~~ Buyer's expense; ~~SELLER'S~~ Seller's expense; **Included in allowance, if provided.**

Line 134. . . . by licensed independent inspectors or qualified independent contractors . .

Line 135. Bold: **Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's inspections.**

Line 176. Make new numbered paragraph.

14. LIMITED HOME WARRANTY PROGRAM:

Line 182. New number 15. ~~SELLER'S RESIDENTIAL REAL ESTATE SALES DISCLOSURE~~ **DISCLOSURES:** (~~check~~ Check one)

- ~~Buyer acknowledges receipt and execution of a Seller's Residential Real Estate Sales Disclosure Form.~~
- ~~Buyer has not received an executed Seller's Residential Real Estate Disclosure Form.~~
- ~~Seller's Residential Real Estate Sales Disclosure Form is not applicable to this transaction.~~

1. Buyer **has** **has not** **not applicable** received and executed SELLER'S RESIDENTIAL REAL ESTATE SALES DISCLOSURE.

2. Buyer **has** **has not** **not applicable** received and executed a LEAD-BASED PAINT CERTIFICATION AND ACKNOWLEDGMENT.

Line 183. Delete blank line.

Line 186. Re-number paragraph number.

Line 189. available) or ~~an ALTA 92 Title Insurance Commitment in the amount of purchase price (if available)~~ an ALTA 2006 Title Insurance Commitment in the amount of purchase price (if available) or an abstract of title continued to date showing marketable . . .

Line 191. title to the Property in Seller's name. **Owner's policy to be paid by** **Buyer** **Seller** **Shared equally** **Included in allowance, if provided.** Lender's policy, if applicable, to be paid by **Buyer** **Seller** **Shared equally** **Included in allowance, if provided.**

Line 192. Make blank line longer.

Line 196. Make blank line longer.

Line 202. Re-number paragraph number.

Line 203. Delete blank line.

Line 212. **For purposes of paragraph A and B:** If the ~~tax rate and/or assessment for taxes assessed in~~ **taxes** for the current year have not been determined at the closing of the transaction, the ~~rate and/or assessment~~ **taxes** shall be assumed to be the same as the prior year for the purpose of such proration and credit for due but unpaid taxes, and this shall be a final settlement.

Line 218. **C. FOR RECENT CONSTRUCTION ONLY OR OTHER TAX SITUATIONS.** ~~If the tax rate and/or assessment for taxes is not available,~~ Seller will give a tax credit of \$_____ to Buyer at closing. ~~If the tax rate and/or assessment for taxes is available prior to the Closing Date, then paragraph B shall apply.~~

Line 225. Re-number paragraph number.

Line 227. . . . shall be prorated as of the day **immediately** prior to the Closing Date.

Line 235. Re-number paragraph number.

Line 242. Re-number paragraph number.

Line 254. Re-number paragraph number.

Line 257. Re-number paragraph number.

Line 260. dues/assessments, or any other items shall be computed ~~through the date of closing~~ as of the day immediately prior to the Closing Date.

Line 299. their permission to a ~~Multiple Listing Service~~ multiple listing service, . . .

Line 313. Re-number paragraph number.

Line 321. Move current paragraph "EXPIRATION OF OFFER:" down below ACKNOWLEDGEMENTS paragraph.

Line 348. **27. SELLER'S RESPONSE: (Check appropriate paragraph letter):**

A. ~~As the Seller(s) of the property described herein, the above terms and conditions are accepted~~

This _____ day of _____, at _____ A.M. P.M. Noon

A. The above offer is Accepted.

B. The above offer is Rejected.

C. The above offer is Countered. See Counter Offer. **Seller should sign both the Purchase Agreement and the Counter Offer.**

LISTING CONTRACT

Line 19. **Did the Seller acquire ownership of the property at a tax sale, Sheriff's sale, any judicial sale, or mortgage foreclosure proceeding? Yes No**

Line 63. Bold and capitalize the full sentence as follows: **SELLER HAS BEEN ADVISED OF BROKER'S COOPERATIVE COMPENSATION POLICY.**

Line 88. Un-capitalize the following: multiple listing service.

Line 177. Create new paragraph #8 to read as follows: **Seller authorizes its Homeowner's Association (HOA) to divulge all HOA information to Broker and to provide copies of all HOA documents if requested.**

Current Line 177 (will move down with the addition of the above). Current paragraph #8 (will change to #9 with the addition of the above). Seller authorizes its lending institution to divulge all mortgage information to Broker and to provide copies of the note and

mortgage, if requested. Seller's lending institution is _____ and the mortgage loan number is _____. If Seller's mortgage is subject to a pre-payment penalty, Seller agrees to give timely written notice to Seller's lender that the mortgage is to be pre-paid from the sale proceeds of the Property. It is acknowledged that Seller's failure to give this notice may result in a pre-payment penalty to be paid by Seller.

Line 180. Re-number paragraph to number 10.

Line 185.—~~If Seller's mortgage is subject to a pre-payment penalty, Seller agrees to give timely written notice to Seller's lender that the mortgage is to be pre-paid from the sale proceeds of the Property. It is acknowledged that Seller's failure to give this notice may result in a pre-payment penalty to be paid by Seller.~~

Line 198. to schedule a showing, Seller **wants authorizes** **does not want authorize** Broker to ~~use the lockbox/key for access to~~ the Property.

Line 199. Where a tenant/lessee occupies the Property, it is Seller's ~~full~~ **sole** responsibility to obtain tenant/lessee consent to allow the use of a lockbox/key **and consent for Broker to access the property.**

MUTUAL RELEASE FROM LISTING CONTRACT

Re-format to fit form on one page.

Line 23. Seller agrees to pay Broker \$_____ as compensation for services rendered to date, **whether A or B is checked above.**

INDEPENDENT INSPECTION RESPONSE

Line 35. ~~If Seller fails to respond, the Buyer may terminate the Purchase Agreement.~~ **IF SELLER FAILS TO RESPOND OR FAILS TO REQUEST AN EXTENSION OF TIME TO RESPOND, SELLER ACCEPTS BUYER'S INSPECTION RESPONSE ABOVE.**

Line 84. Add the following: **IF BUYER FAILS TO REPLY OR FAILS TO REQUEST AN EXTENSION OF TIME TO REPLY, BUYER ACCEPTS SELLER'S INSPECTION RESPONSE ABOVE.**

RADON INSPECTION RESPONSE

Second line of Title change to the following: **BUYER'S RADON INSPECTION RESPONSE # _____**

Line 21. If the new test results are equal to less than 4.0 pCi/L, then the Radon . . .

Line 31. ~~If Seller fails to respond, then the Buyer may terminate the Purchase Agreement.~~ **IF SELLER FAILS TO RESPOND OR FAILS TO REQUEST AN EXTENSION OF TIME TO RESPOND, SELLER ACCEPTS BUYER'S RADON INSPECTION RESPONSE ABOVE.**

Line 64. Add the following: **IF BUYER FAILS TO REPLY OR FAILS TO REQUEST AN EXTENSION OF TIME TO REPLY, BUYER ACCEPTS SELLER'S RADON INSPECTION RESPONSE ABOVE.**

COUNTER OFFER

Line 44. ~~ACCEPTANCE OF~~ **RESPONSE TO** COUNTER OFFER # _____

Line 45. The above Counter Offer #___ is **Accepted** **Countered** **Rejected** at _____ . . .

ALTERNATIVE DISPUTE FORM

Change signature lines.

LIMITED AGENCY AGREEMENT

Change signature lines.

AMENDMENT TO LISTING CONTRACT

Line 12. to ~~midnight~~ **11:59 p.m.** of the ___ day of ____ . . .

Extra copies of the Removal of Contingency Form will be added to the library for convenience when completing electronic forms.

Just remember that the line numbers above may change due to text additions or subtractions.

I would like to take this opportunity to thank the IAR Forms Committee again for their time, patience and respect in a detailed and exhaustive process of achieving uniformity and consistency across the state. We have had NUMEROUS members this past year switch to IAR statewide forms.