

# NVAR Standard Forms Update

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Chair, 2014 NVAR Standard Forms



The Regional Sales Contract is now  
the Residential Sales Contract.

Jurisdictional Addendum Merged

# Why The Change?

- Obsolete Model
- Reduce Length of Contract
- Reduce Confusion
- Reduce Liability





## RESIDENTIAL SALES CONTRACT (Virginia)

This sales contract ("Contract") is offered on \_\_\_\_\_ ("Date of Offer") between \_\_\_\_\_ ("Purchaser") and \_\_\_\_\_ ("Seller") who, among other things, hereby confirm and acknowledge by their initials and signatures herein that by prior disclosure in this real estate transaction \_\_\_\_\_ ("Listing Company") represents Seller, and \_\_\_\_\_ ("Selling Company") represents ☐ Purchaser **OR** ☐ Seller. The Listing Company and Selling Company are collectively referred to as "Broker." (If the brokerage firm is acting as a dual representative for both Seller and Purchaser, then the appropriate disclosure form is attached to and made a part of this Contract.) In consideration of the mutual promises and covenants set forth below, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **REAL PROPERTY** Purchaser will buy and Seller will sell for the sales price ("Sales Price"), Seller's entire interest in the real property (with all improvements, rights and appurtenances) described as follows ("Property"):

TAX Map/ID # \_\_\_\_\_ Legal Description: Lot(s) \_\_\_\_\_  
Block/Square \_\_\_\_\_ Section \_\_\_\_\_ Subdivision or Condominium \_\_\_\_\_  
Parking Space(s) # \_\_\_\_\_ County/Municipality \_\_\_\_\_  
Deed Book/Liber # \_\_\_\_\_ Page/Folio # \_\_\_\_\_  
Street Address \_\_\_\_\_  
Unit # \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

2. **PRICE AND SPECIFIED FINANCING** Any % are percentages of Sales Price

**A. Down Payment** \$ \_\_\_\_\_ or % \_\_\_\_\_

**B. Financing** 1. First Trust (if applicable) \$ \_\_\_\_\_ or % \_\_\_\_\_

2. Second Trust (if applicable) \$ \_\_\_\_\_ or % \_\_\_\_\_

3. Seller Held Trust \$ \_\_\_\_\_ or % \_\_\_\_\_

Addendum attached (if applicable)

**TOTAL FINANCING** \$ \_\_\_\_\_ or % \_\_\_\_\_

**SALES PRICE** \$ \_\_\_\_\_

- C. First Deed of Trust** Purchaser will ☐ Obtain **OR** ☐ Assume a ☐ Fixed **OR** an ☐ Adjustable rate

First Deed of Trust loan amortized over \_\_\_\_\_ years. The interest rate for this loan is at an (initial) interest rate not to exceed \_\_\_\_\_ % per year of the following type:

☐ **Conventional** See Addendum Attached ☐ **VA** See Addendum Attached

☐ **FHA** See Addendum Attached ☐ **Other:** \_\_\_\_\_

☐ **This contract is not contingent on Financing.**

- D. Second Deed of Trust** Purchaser will ☐ Obtain **OR** ☐ Assume a ☐ Fixed **OR** an ☐ Adjustable rate Second Deed of Trust loan amortized over \_\_\_\_\_ years. The interest rate

# The New Residential Sales Contract

# “Offer Date” and “Contract Date”

This sales contract (“Contract”) is offered on \_\_\_\_\_ (“Date of Offer”) between \_\_\_\_\_ (“Purchaser”) and \_\_\_\_\_ (“Seller”) who, among other things, hereby confirm and acknowledge by their initials and signatures herein

## 32. DEFINITION

- A. “Date of Ratification” means the date of Delivery of the final acceptance in writing by Purchaser and Seller of all the terms of this Contract to Purchaser and Seller (not the date of the expiration or removal of any contingencies).

# Specified Financing ¶2

## 2. PRICE AND SPECIFIED FINANCING Any % are percentages of Sales Price

**A. Down Payment** \$ \_\_\_\_\_ or % \_\_\_\_\_

**B. Financing** 1. First Trust (if applicable) \$ \_\_\_\_\_ or % \_\_\_\_\_

2. Second Trust (if applicable) \$ \_\_\_\_\_ or % \_\_\_\_\_

3. Seller Held Trust \$ \_\_\_\_\_ or % \_\_\_\_\_

Addendum attached (if applicable)

**TOTAL FINANCING**

\$ \_\_\_\_\_ or % \_\_\_\_\_

**SALES PRICE**

\$ \_\_\_\_\_

Set Dollar Amount

Percentage of  
Loan Amount

# Specified and Alternative Financing ¶2 & ¶15

- Buyer may change lender without seller's permission
- To keep the protection of the financing contingency when changing loan type(Conventional to VA for example): Buyer must get written permission of the seller (with correct addendum)

**C. First Deed of Trust** Purchaser will ☐ Obtain OR ☐ Assume a ☐ Fixed OR an ☐ Adjustable rate

First Deed of Trust loan amortized over \_\_\_\_ years. *The interest rate for this loan is at an (initial) interest rate not to exceed \_\_\_\_% per year of the following type:*

☐ Conventional See Addendum Attached ☐ VA See Addendum Attached

☐ FHA See Addendum Attached ☐ Other: \_\_\_\_\_

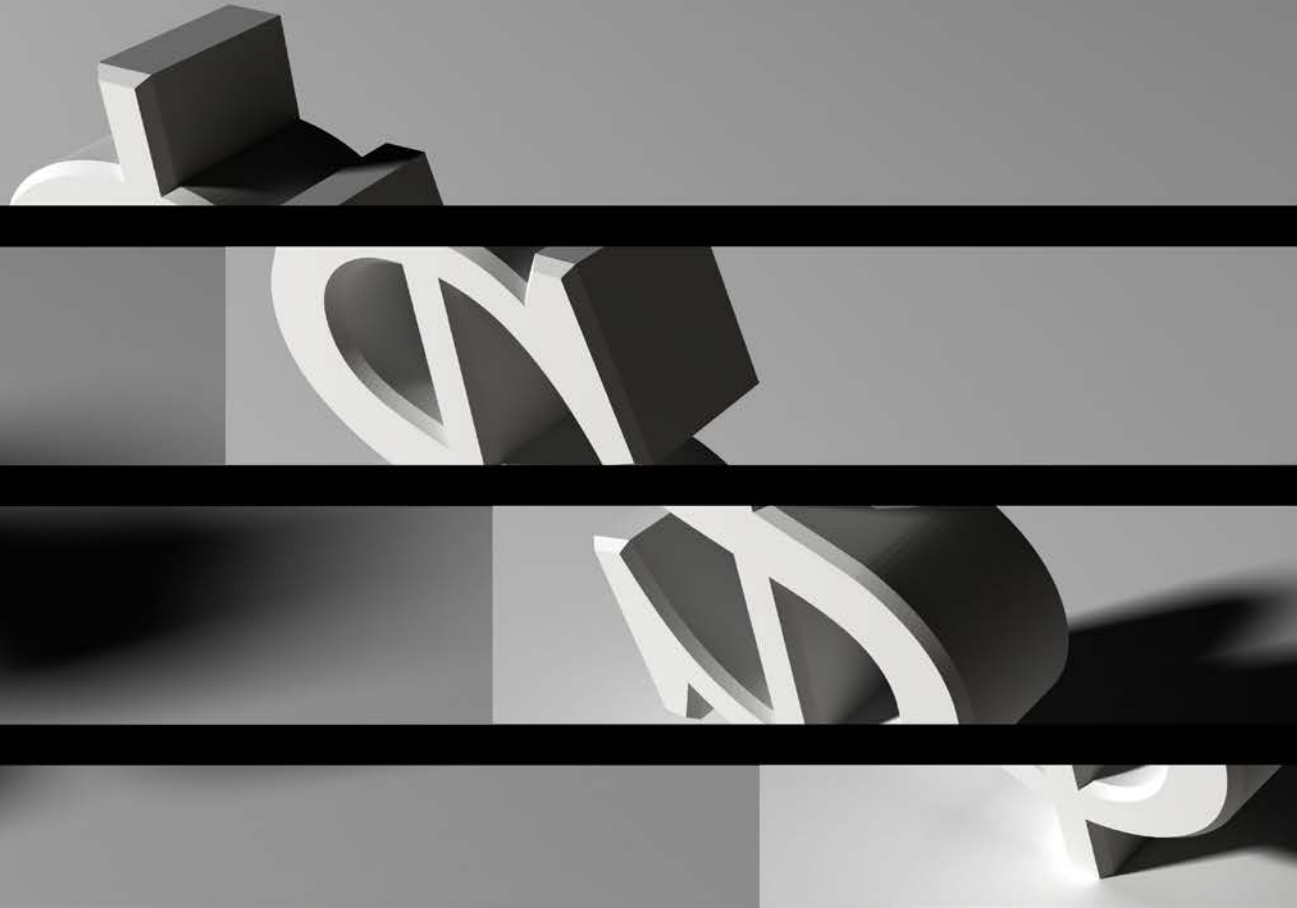
☐ This contract is not contingent on Financing.

**D. Second Deed of Trust** Purchaser will ☐ Obtain OR ☐ Assume a ☐ Fixed OR an ☐ Adjustable rate Second Deed of Trust loan amortized over \_\_\_\_ years. *The interest rate for this loan is at an (initial) interest rate not to exceed \_\_\_\_% per year.*

**15. ALTERNATE FINANCING** Purchaser may substitute alternative financing and/or an alternative lender for Specified Financing provided: (a) Purchaser is qualified for alternative financing; (b) there is no additional expense to Seller; (c) Settlement Date is not delayed; and (d) if Purchaser fails to settle, except due to any Default by Seller, then the provisions of the DEFAULT paragraph shall apply.

# EMD – Do You Have It Or Will It Be Delivered?

**3. DEPOSIT** Purchaser's deposit ("Deposit") in the amount of \_\_\_\_\_ check and/or ☐ \$ \_\_\_\_\_ by note due and payable on \_\_\_\_\_ shall be held by \_\_\_\_\_ ("Escrow Agent"). Purchaser ☐ has delivered **OR** ☐ will deliver the Deposit by \_\_\_\_\_ days after Date of Ratification.





# "Delivery" Simplified ¶6

No more courtesy copies!

Deliveries will be sent as follows:

**A. Addressed to Seller at the Property address unless otherwise specified below by ☐ United States mail, hand delivery or courier service OR ☐ fax OR ☐ email (check all that apply):**


To Seller: \_\_\_\_\_  
\_\_\_\_\_

**B. Addressed to Purchaser by ☐ United States mail, hand delivery or courier service OR ☐ fax OR ☐ email (check all that apply):**

To Purchaser: \_\_\_\_\_  
\_\_\_\_\_

# POA and Condo Delivery ¶8 & ¶9

- Seller (according to regulation) may choose delivery method of documents from the association
- Purchaser must now provide their preferred address for each method of delivery



**8. VIRGINIA PROPERTY OWNERS' ASSOCIATION ACT** Seller represents that the Property ☐ is **OR** ☐ is not located within a development that is subject to the Virginia Property Owner's Association Act ("POA Act"). The POA Act requires the Seller of a property within such a development to obtain an Association Disclosure Packet from the property owners' association and provide it to Purchaser. The information in the Association Disclosure Packet shall be current as of a date specified on the Association Disclosure Packet. For delivery of the Packet or the Notice of non-availability of the Packet, Purchaser prefers delivery at \_\_\_\_\_ if electronic or \_\_\_\_\_ if hard copy.

# Access To Property ¶11



**11. ACCESS TO PROPERTY** Seller will provide Broker, Purchaser, inspectors representing Purchaser, and representatives of lending institutions for Appraisal purposes reasonable access to the Property to comply with this Contract. In addition, Purchaser and/or Purchaser's representative will have the right to make walk-through inspection(s) within 7 days prior to Settlement and/or occupancy, unless otherwise agreed to by Purchaser and Seller.



# Wood Destroying Insects ¶ 19



- Changed to match common practice and requirement of many lenders to inspect for more than just termites.

**19. WOOD-DESTROYING INSECT INSPECTION** ☐ Purchaser at Purchaser's expense **OR**  
☐ Seller at Seller's expense will furnish a written report from a pest control firm dated not more than 30 days prior to Settlement showing that all dwelling(s) and/or garage(s) within the Property (excluding fences or shrubs not abutting garage(s) or dwelling(s)) are free of visible evidence of active termites and other wood-destroying insects, and free from visible insect damage. Any treatment and repairs for damage identified in the inspection report will be made at Seller's expense.



# Title ¶21



- If Title can't be delivered at Closing
  - Old Language gave 30 Days
  - New language creates 2 options
    - Void Contract
    - Negotiation Extension

Otherwise, on Settlement Date Purchaser may at Purchaser's option either (a) declare the Contract void in writing, or (b) mutually agree to extend Settlement Date under terms acceptable by both parties.

# Adjustments ¶26 – Fuel in Supply Tanks



- Old language was ambiguous regarding the disposition of fuel in tanks, especially regarding leased tanks.
- New language “Unless otherwise agreed to in writing, any heating or cooking fuels remaining in supply tanks(s) at Settlement will become the property of the Purchaser.”



# Title Insurance ¶4 and 30(G) and

- Changes to reflect CFPB New Rules
- Purchaser has the choice of getting a quote for the standard or enhanced title insurance coverage.



# Improvements to Existing Forms







## Update to Release of Contract and Deposit K1116

- Added language to disclose to Seller and Purchaser that release of contract between the parties does not release any liability to the Broker(s).

# Useful Information About RE Transactions

## K1297

- Added Language to reflect the COE protected class of Gender Identity
- New paragraph explaining what FIRPTA[Foreign Investment in Real Property Tax Act] is and what duties the parties may have and to seek legal advice






- Deed of Trust Paragraph moved to Price and Specified Financing
- Seven Non-exclusive reasons for Default have been removed
- Seller Subsidy paragraph has been given the simpler name
- Conventional Finance Addendum updated to reflect VA and FHA which compels Purchaser to show written statement in cases of low appraisal.

Conventional, FHA and VA Contingency Addenda

K1339, K1340, K1359

## Walk-Through Inspection – K1210



Language added to clarify Broker nor Settlement Agent shall be liable for breach any repair agreement.

Unless otherwise specified, all repairs are to be performed by a contractor licensed to do the type of work required. Neither Broker nor Settlement Agent shall be liable for any breach of any agreement made by Purchaser and Seller above.



(Only One) New Form



## NOTICE VOIDING CONTRACT

This Notice Voiding Contract is given on \_\_\_\_\_, in accordance with the sales contract (“Contract”) ratified on \_\_\_\_\_, between \_\_\_\_\_ (“Purchaser”) and \_\_\_\_\_ (“Seller”) for the purchase and sale of the Property: \_\_\_\_\_

The undersigned party (“Notifying Party”) hereby gives this written Notice Voiding Contract to [select one]: ☐ Seller **OR** ☐ Purchaser (“Notified Party”) as follows:

Notifying Party hereby declares the Contract void as permitted pursuant to paragraph \_\_\_\_\_ of the Contract **OR** paragraph \_\_\_\_\_ of \_\_\_\_\_ Addendum.

Important information regarding this Notice:

1. To be effective, Notifying Party must Deliver this Notice to Notified Party or their authorized agent pursuant to the DELIVERY paragraph of the Contract.
2. This Notice is not a substitute for a release, nor does it authorize the disbursement of any earnest money deposit regarding the Contract. In order for both parties to be released from any and all responsibility or liability under the Contract, a separate release must be executed. A release or other written authorization must be executed by both parties to disburse Deposit under the Contract.
3. Seller and Purchaser will comply with the terms of the VOID CONTRACT paragraph of the Contract.
4. Notifying Party’s termination hereunder is not a waiver of any right or remedy under the Contract. This termination is not an election or limitation of Notifying Party’s right to rely on any other right or remedy provided by the Contract and/or applicable law.

This Notice Voiding Contract is given by the undersigned [select one]: ☐ Seller **OR** ☐ Purchaser



Training opportunities have  
been scheduled across the  
region.

For more information go to:  
[go.nvar.com/NewFormChanges](http://go.nvar.com/NewFormChanges)