



# TREC One to Four Family Contract Overview

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## Outline

- Overview of the Current Contract
- Third Party Financing Addendum
- Addendum Regarding Right to Terminate due to Lender's Appraisal
- Proposed Changes to the Current Contract – Expected November 2020



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## Paragraphs One, Two, Three & Four

- **Paragraph 1:** Parties
- **Paragraph 2:** Property
  - Definition and included items
    - “Permanently installed and built-in items” remain
  - Accessories
- **Paragraph 3:** Sales Price
  - Cash paid by Buyer, Loan Amount and Sales Price
- **Paragraph 4:** License Holder Disclosure



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## Paragraphs Five & Six

- **Paragraph 5:** Earnest Money
  - 3 calendar days to deliver – unless weekend or holiday
- **Paragraph 6:** Title Policy & Survey
  - 6.A.: Who pays for the Title Policy? What is included?
  - 6.A.(8)(ii): Survey amended to “Shortages in Area”
    - Survey highly scrutinized by title
  - 6.C.(2): New survey “deemed” received when actually received or date specified occurs



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## Paragraphs Seven, Eight, Nine & Ten

- **Paragraph 7: Property Condition**
  - Inspection and Repairs: Requirements and Timelines
- **Paragraph 8: Brokers' Fees**
  - Contained in separate agreement
- **Paragraph 9: Closing**
  - Date and requirements for closing
- **Paragraph 10: Possession**
  - Issues with Residential Leasebacks – 60 days vs 90 days



## Paragraphs Eleven, Twelve & Thirteen

- **Paragraph 11: Special Provisions**
  - Can constitute practicing law without a licenses
- **Paragraph 12: Settlement and Other Expenses**
  - Loan and closing fees - Who pays and how much?
- **Paragraph 13: Prorations**
  - Parties agreement to re-prorate once tax bill is final



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