

# CCAR New Residential Sales Contract & Solar Panel Addendum Training

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- This is a Webinar – **you will enter muted and without your video showing.**

## HAVE A QUESTION?

- Use the **Q and A** to ask a question or make a comment.
- Use the **Raise Hand** feature to ask a question.
  - When you are called on, be sure to unmute before you start asking the question!



**Advocating for Consumers | Empowering Members | Advancing Real Estate**

*Cultivating a thriving real estate community where REALTORS® inspire trust, lead innovation, and champion sustainable homeownership for future generations.*

# Thank you to the CCAR Contract & Forms Committee

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## **2024-2025**

Chair: PJ Trautman

Vice Chair: Jim Waller

Dionne Clifton, Matt Difanis, Jeff Finke, Justin Gensler, Jeane Gohl-Noice, Jenny Park, Scott Perkins, Nick Taylor, Mark Waldhoff, Rick Wilberg, Nick Ward, Trevor Wiles

## **2025-2026**

Chair: PJ Trautman

Vice Chair: Jayme Ahlden

Matt Difanis, Nate Evans, Justin Gensler, Jeane Gohl-Noice, Carrie Johnston, Liz McDonald, Jenny Park, Scott Perkins, PJ Trautman, Mark Waldhoff

# 2026 Residential Sales Contract Revisions

**Matt Difanis**



**Jenny Park**



Parties' Information at Top of Page 1



**Champaign County Association of REALTORS® Multiple Listing Service**  
**Residential Sales Contract (MLS Listing # \_\_\_\_\_)**



Seller _____ (Print Name)	Buyer _____ (Print Name for Deed)
Seller _____ (Print Name)	Buyer _____ (Print Name for Deed)
Address _____ Phone _____	Address _____ Phone _____
City _____ State _____ Zip _____	City _____ State _____ Zip _____
Listing Brokerage _____	Buyer Brokerage _____
Phone _____	Phone _____
REALTOR® _____	REALTOR® _____
RE License # _____ Phone _____	RE License # _____ Phone _____
Email _____	Email _____
Attorney _____	Attorney _____
Phone _____ Email _____	Phone _____ Email _____

# Reformatted Real Estate Description with better line spacing and length

8   **2. Real Estate (Premises) Description.** Sellers agree to sell, and Buyers agree to purchase the following described real estate located at:  
9    Address: \_\_\_\_\_ City: \_\_\_\_\_, Zip Code: \_\_\_\_\_, State of Illinois.  
10   Legal Description: \_\_\_\_\_  
11   Lot Dimensions: \_\_\_\_\_  
12   PIN: \_\_\_\_\_ County, together with all improvements  
13   and appurtenances thereon, upon the terms set forth in this Contract.



# Paragraph 3: Purchase Price

- 1) Option for non-refundable earnest money
- 2) Some rewording throughout
- 3) Added distinct options for “escrow agent”

14 **3. A. Purchase Price.** Buyers agree to pay to Sellers the total sum of \$ [redacted]. After the payment of all earnest  
15 money as provided below, the balance of the purchase price, as adjusted by prorations and credits allowed the parties by this  
16 Contract, shall be paid by Buyers at closing via wire transfer or other form of payment acceptable to settlement agent.


17 ☐ Refundable (in accordance with this Contract) earnest money of \$ [redacted] shall be tendered to the escrow agent  
18 (defined hereinafter) on or before [redacted], for delivery to Sellers at time of closing or as otherwise set forth under this  
19 Contract.

20 ☐ Nonrefundable earnest money of \$ [redacted] shall be tendered to the escrow agent on or before [redacted], for delivery to  
21 Sellers at time of closing or promptly upon termination of this Contract, except as otherwise set forth hereinafter. **Notwithstanding**  
22 **anything contained in this Contract and any and all amendments and/or addendums to this Contract to the contrary, the**  
23 **nonrefundable earnest money shall be nonrefundable to Buyers** except in the event of Sellers default pursuant to paragraph  
24 13.B below and casualty set forth under paragraph 10 below; but, shall be applicable towards the purchase price at Closing.

25 For purposes herein “escrow agent” shall be ☐ Sellers’ Brokerage; ☐ Buyers’ Brokerage; ☐ Title Company;  
26 or ☐ [redacted].

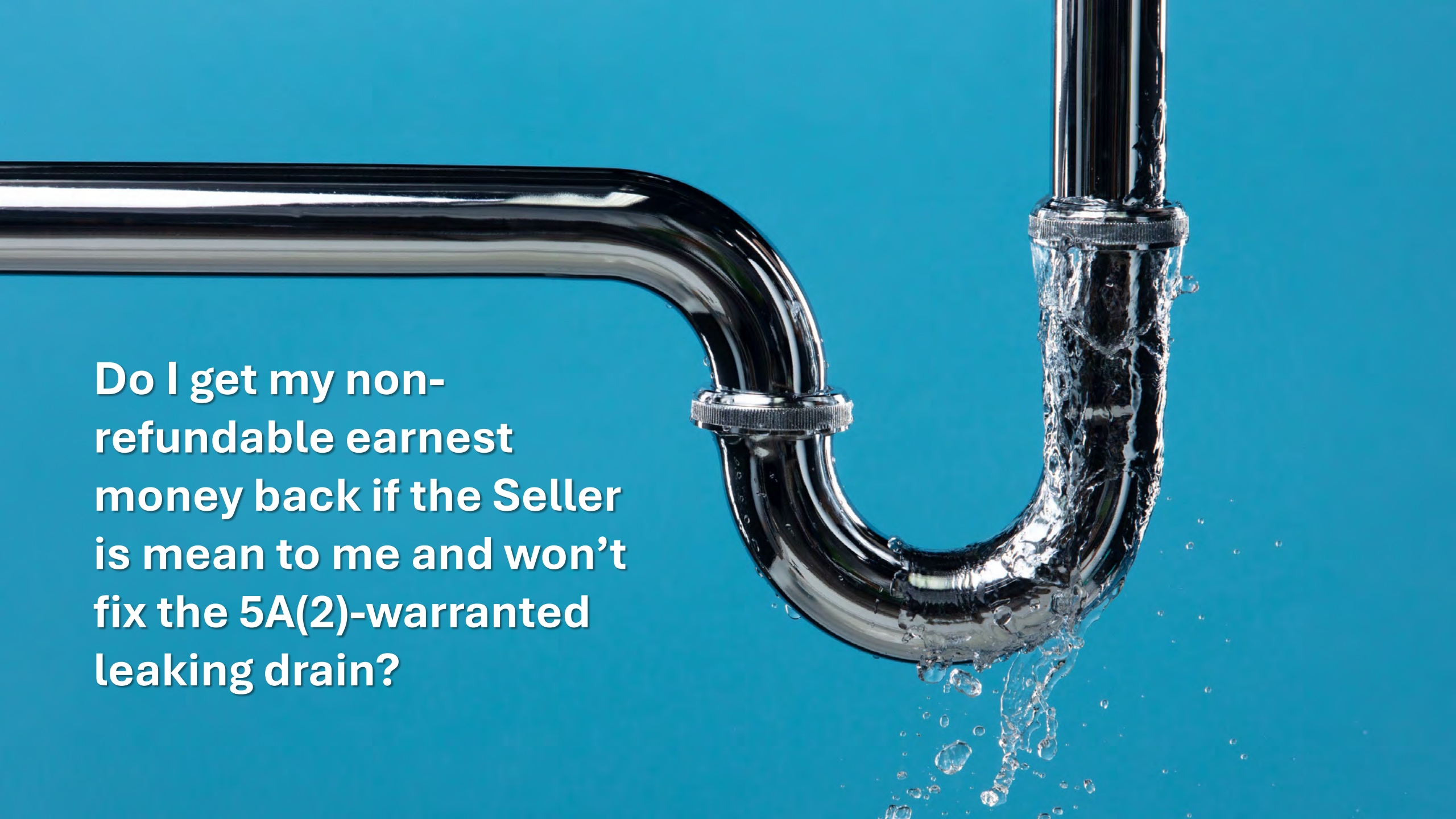


# Key Considerations with New Earnest Money Wording

- 
- Options are not mutually exclusive. That is, you can have one sum of refundable earnest money and another sum of non-refundable earnest money.
  - Non-refundable is no joke! Unless the Seller defaults or house burns down, the Buyer will not get that money back, regardless of
    - Inability to obtain financing;
    - How terrible the home inspection is; or
    - How big a bus runs over the Buyer on the way to closing.
  - We like to unofficially promise that the Buyers won't use the home inspection contingency to nickel and dime the Sellers, only to have the Buyers do just that.
  - The non-refundable option effectively says, "\$X,XXX of non-refundable money says we won't be jerking the Sellers around."
  - If a really bad home inspection that's part of an inspection contingency reveals deal-breaking defects, Buyer can still potentially terminate, but will not get the non-refundable portion of earnest money back.
  - In this case, the value of the inspection contingency is that the Buyer *only* lost the non-refundable earnest money but avoided having to close on the purchase of a house with a much more expensive defect.



**Do I get my non-refundable earnest money back if the Seller is mean to me and won't fix the 5A(2)-warranted leaking drain?**





## Paragraph 3 Changes (Cont.)

Reformatted home warranty information to allow for more space to properly identify specific company, type of warranty, add-ons, etc.

36      **C.** \_\_\_\_\_ Warranty to be paid as follows: \_\_\_\_\_.

37      Ordered by: ☐ Buyers' Agent   ☐ Sellers' Agent

# Buyer Brokerage Compensation

Removed former initial lines that were easily missed

38 **D. Buyer Brokerage Compensation.** The purchase price set forth is conditioned upon the Buyer Brokerage Compensation being  
39 paid at closing by Seller or Buyer as follows (fill in all applicable):

40 ☐ Seller shall cause Seller's Listing Brokerage to pay Buyer's Buyer Brokerage as follows:

41 \_\_\_\_\_% of the sale price or \$\_\_\_\_\_.

42 ☐ Seller shall pay Buyer Brokerage as follows:

43 \_\_\_\_\_% of the sale price or \$\_\_\_\_\_.

44 ☐ Buyer shall pay Buyer Brokerage as follows:

45 \_\_\_\_\_% of the sale price or \$\_\_\_\_\_.

46 ☐ Not Applicable

47 Unless "Not Applicable" is checked, the compensation agreed to herein is the only compensation payable to Buyer Brokerage from  
48 Seller or Sellers' Brokerage or Buyer to Buyer Brokerage.

## Paragraph 5A(2): Added the word “interior” to make 5A(2) language consistent with inspection contingency language

60 **A. Buyers' Inspection.** Buyers acknowledge they have inspected the real estate and the improvements thereon; they are  
61 acquainted with the condition thereof and are not relying on any verbal representations of Sellers or their agents. Subject  
62 to normal wear and tear, Sellers sell and Buyers accept the Premises as of the time they executed this Contract in:

63 ☐ (1) As-is condition.

64 ☐ (2) As-is condition except Sellers warrant the interior plumbing, heating, electrical and air conditioning systems, septic,  
65 sewer, and water systems, and built-in appliances to be in operating condition on date of possession and warrant all  
66 well water to be potable, except for:

67 i. any items for which no repair amendment has been submitted with this contract and which were disclosed in  
68 the prelisting inspection dated \_\_\_\_\_ performed by \_\_\_\_\_, so long as  
69 a complete copy of the said inspection report has been provided to the buyer prior to execution of this contract;

70 **AND**

71 ii. any items listed in paragraph 5.E.





**What about the sink  
in the She-Shed?**





# Home Inspection Contingency Updates

1. New option for custom financial threshold before triggering demands to remedy Qualifying Deficiencies;
2. Elimination of former lettered sub-paragraphs that all related to paragraph 5D to consolidate all substance of the inspection contingency into 5D
3. Addressing the previously silent issue of what happens when a Seller fails to respond to a timely and valid Notice of Post-Inspection Qualifying Deficiencies.
4. Better addressing material defects with special categories of non-Qualifying Deficiencies, e.g., well, septic/sewer, radon, and termites

# Detailed look at exactly what's changed.

A “Qualifying Deficiency” shall include only “material deficiencies” in the major components (“Major Components”) of the Premises that being the following: central heating systems(s), central cooling systems(s), interior plumbing system(s), sewer system(s), septic system(s), electrical system(s), all mechanical system(s), structural components, consisting of the roof, walls, siding, ceilings, floors, foundation, windows (excluding fogging of windows), and doors; provided, however, excluding items warranted under paragraph 5.A(2), and issues arising with respect to well water—and, septic, sewer, radon, mold, and wood infestation.<sup>5</sup> Notwithstanding the foregoing, the Parties agree that Qualifying Deficiency repairs and /or remedies that do not exceed in the aggregate of the following amount to remedy shall not be considered Qualifying Deficiencies and Buyer agrees to assume those items with no allowance or repair from Sellers:

- (i) the greater of \$500.00 or 0.5% of the purchase price; or
- (ii) \$ (if left blank – shall be greater of \$500.00 or 0.5% of the purchase price)  
~~to remedy shall not be considered Qualifying Deficiencies and Buyers agree to assume those items with no allowance or repair from sellers.~~

Buyers acknowledge and agree that minor repairs and routine maintenance items are not considered “material deficiencies” and do not constitute a Qualifying Deficiency.

Buyers acknowledge that the property inspection to be performed is on an existing property and that some minor deficiencies are to be expected.

A major component shall be deemed in operating condition and thus not to have a Qualifying Deficiency <sup>□</sup> if it performs the function for which it is intended, regardless of age. The fact that a functioning Major Component may be at the end of its useful life shall not constitute a Qualifying Deficiency. Three-prong outlets not served by a ground wire are not to be considered a Qualifying Deficiency.

Existing properties are not required to adhere to current building codes.

Sellers shall, within ~~five (5)~~ business days after written notice of Buyers’ demands to remedy the Qualifying Deficiencies is given to Sellers, (“Sellers’ Response Period”), notify Buyers that

I

- i. Sellers will repair such deficiencies in a good and workmanlike manner;
- ii. Sellers will credit the Buyers the reasonable cost of the repair of such deficiencies (or such lower amount as the parties may negotiate) as a closing cost credit (with lender approval);
- iii. Sellers will reduce the purchase price by such an amount as the parties may negotiate (with lender approval); or



# New Option for Custom Financial Threshold for Making “Qualifying Deficiencies” Actionable

A “Qualifying Deficiency” shall include only “material deficiencies” in the major components (“Major Components”) of the Premises that being the following: central heating system(s); central cooling system(s); interior plumbing system(s); sewer system(s); septic system(s); electrical system(s); all mechanical system(s); structural components, consisting of the roof, walls, siding, ceilings, floors, foundation, windows (excluding fogging of windows), and doors; provided, however, excluding items warranted under paragraph 5.A(2), and issues arising with respect to well water, septic, sewer, radon, mold, and wood infestation. Notwithstanding the foregoing, the parties agree that Qualifying Deficiency repairs and/or remedies that do not exceed in the aggregate of the following amount to remedy shall not be considered Qualifying Deficiencies and Buyer agrees to assume those items with no allowance or repair from Sellers:

(i)            the greater of \$500.00 or 0.5% of the purchase price; or

(ii) \$                      (if left blank—shall be greater of \$500.00 or 0.5% of the purchase price)

Buyers acknowledge and agree that minor repairs and routine maintenance items are not considered “material deficiencies” and do not constitute a Qualifying Deficiency.

Buyers acknowledge that the property inspection to be performed is on an existing property and that some minor deficiencies are to be expected.

A Major Component shall be deemed in operating condition and thus not to have a Qualifying Deficiency if it performs the function for which it is intended, regardless of age. The fact that a functioning Major Component may be at the end of its useful life shall not constitute a Qualifying Deficiency. Three-prong outlets not served by a ground wire are not to be considered a Qualifying Deficiency.



Detailed  
look at  
exactly  
what's  
changed

**Existing properties are not required to adhere to current building codes.**

Sellers shall, within ~~five~~(5) business days after written notice of Buyers' demands to remedy the Qualifying Deficiencies is given to Sellers; ("Sellers' Response Period"), notify Buyers that

- i. Sellers will repair such deficiencies in a good and workmanlike manner;
- ii. Sellers will credit the Buyers the reasonable cost of the repair of such deficiencies (or such lower amount as the parties may negotiate) as a closing cost credit (with lender approval);
- iii. Sellers will reduce the purchase price by such an amount as the parties may negotiate (with lender approval); or

- iv. Sellers will neither repair nor provide a credit.

If the Sellers have not agreed to repair all Qualifying Deficiencies as requested by Buyers and the parties have not otherwise agreed to a remedy for the Qualifying Deficiencies or Sellers have not responded to Buyers' demands to remedy the Qualifying Deficiencies set forth above, within ~~three~~(3) business days after timely written notice of Sellers' response is given to Buyers or expiration of Sellers' Response Period if no written notice is given by Sellers to Buyers within Sellers' Response Period (the "Agreement Deadline"), Buyers shall notify Sellers of Buyers' election to either proceed with the transaction or declare the Contract null and void, in which case all earnest money shall be promptly refunded to Buyers. If Buyers fail to respond by the Agreement Deadline the Contract shall continue in force, and Sellers shall be obligated to make the repairs and/or provide the credit that they have offered. Following Buyers' election, all Qualifying Deficiencies shall thereby be resolved and the warranties in paragraph 5.A(2) will no longer apply to conditions noted in the inspection reports Buyers have provided to Sellers.

~~**E. Radon Remediation.**~~ If the report of an inspector or licensed contractor described in paragraph 5.D. determines that the radon level is above the recommended action level set by the U.S. Environmental Protection Agency, the parties agree that the cost of radon remediation shall be paid in the following percentages:

**Buyers** \_\_\_\_\_% **Sellers** \_\_\_\_\_% (If left blank, Buyers waive the right to radon testing.



# “Clean” view of 5D updates

Existing properties are not required to adhere to current building codes.

Sellers shall, within 5 business days after written notice of Buyers’ demands to remedy the Qualifying Deficiencies is given to Sellers (“Sellers’ Response Period”), notify Buyers that:

- i. Sellers will repair such deficiencies in a good and workmanlike manner;
- ii. Sellers will credit the Buyers the reasonable cost of the repair of such deficiencies (or such lower amount as the parties may negotiate) as a closing cost credit (with lender approval);
- iii. Sellers will reduce the purchase price by such an amount as the parties may negotiate (with lender approval); or
- iv. Sellers will neither repair nor provide a credit.

If Sellers have not agreed to repair all Qualifying Deficiencies as requested by Buyers and the parties have not otherwise agreed to a remedy for the Qualifying Deficiencies or Sellers have not responded to Buyers’ demands to remedy the Qualifying Deficiencies set forth above, within 3 business days after timely written notice of Sellers’ response is given to Buyers or expiration of Sellers’ Response Period if no written notice is given by Sellers to Buyers within Sellers’ Response Period (the “Agreement Deadline”), Buyers shall notify Sellers of Buyers’ election to either proceed with the transaction or declare the Contract null and void, in which case all earnest money shall be promptly refunded to Buyers. If Buyers fail to respond by the Agreement Deadline the Contract shall continue in force, and Sellers shall be obligated to make the repairs and/or provide the credit that they have offered. Following Buyers’ election, all Qualifying Deficiencies shall thereby be resolved and the warranties in paragraph 5.A(2) will no longer apply to conditions noted in the inspection reports Buyers have provided to Sellers.

If the report of an inspector or licensed contractor described in paragraph 5.D. determines that the radon level is above the recommended action level set by the U.S. Environmental Protection Agency, the parties agree that the cost of radon remediation shall be paid in the following percentages:

**Buyers**  % **Sellers**  % (If left blank, Buyers waive the right to radon testing).



# Inspection Contingency

## Updates: Radon

**~~E. Radon Remediation.~~** If the report of an inspector or licensed contractor described in paragraph 5.D. determines that the radon level is above the recommended action level set by the U.S. Environmental Protection Agency, the parties agree that the cost of radon remediation shall be paid in the following percentages:

Buyers \_\_\_\_\_%   Sellers \_\_\_\_\_% **(If left blank, Buyers waive the right to radon testing.**

**).** Remediation shall be completed at least ~~three (3)~~ days prior to ~~closing~~Closing (unless otherwise agreed to in writing by Seller and Buyer) by an Illinois licensed technician providing at least a 90-day warranty for the benefit of the Buyers. At Buyers' expense, Buyers shall have the right to obtain a post mitigation radon inspection by a licensed radon inspector.

# Inspection Contingency Updates: Well Systems, Septic and/or Sewer

~~F. Well/Septic.~~ Prior to Closing, Sellers shall be obligated to make any repairs revealed by the inspection reports to be necessary to put the well ~~and~~systems, septic systems and/or sewer systems in operating condition, provided that if the cost of all required repairs plus the cost of landscaping together exceeds \$3,000.00, and if the parties cannot reach agreement regarding payment of such additional cost, this Contract may be terminated by written notice to the other party on or before the Agreement Deadline and the earnest money shall thereupon be refunded to the Buyers. Additional testing recommended by the reports shall be obtained at the Sellers' expense. If the reports recommend additional testing after Closing, the parties shall have the option of establishing an escrow with a mutual cost allocation for necessary repairs or replacements, or either Party may terminate this Contract prior to Closing.



# What about mold?





# New Solar Provisions!





# New Paragraph 6: Mandatory Check Boxes to Indicate Whether the Premises Includes a Solar Power System

174 **6. Solar Power System.** THERE IS A SOLAR POWER SYSTEM LOCATED ON THE PREMISES AND UPON CLOSING, SUCH RIGHTS OWNED BY SELLERS THEREIN  
175 SHALL PASS TO BUYERS WITHOUT A SEPARATE INSTRUMENT OF CONVEYANCE (check one): ☐ YES or ☐ NO. If YES, it is mandatory to complete the  
176 CCAR Solar Power System Addendum, and such addendum shall be incorporated into this Contract by reference as if fully set forth herein.

Initials			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Seller	Seller	Buyer	Buyer



**Champaign County Association of REALTORS®**  
**Solar Power System Addendum**



This Solar Power System Addendum ("Addendum") is entered into by and between \_\_\_\_\_  
(collectively, "Buyer") and \_\_\_\_\_ (collectively, "Seller") and relates to the real estate  
commonly known as \_\_\_\_\_ ("Premises").

Please check and complete all blanks, as applicable.

The Premises has solar panels:

- ☐ Owned by Seller with no further financial obligations
- ☐ Owned but subject to a financing agreement with an estimated remaining balance of \$\_\_\_\_\_ which shall be:
  - ☐ Paid in full by Seller on or before closing
  - ☐ Assumed by Buyer on or before closing [Seller to provide all documentation and terms as set forth below] with the transfer fee paid by \_\_\_\_\_.



# Solar Power System Addendum (Continued)

- ☐ Subject to an agreement for energy delivery (including Solar Renewable Energy Credits [SRECs])
  - ☐ Terminated by Seller on or before closing
  - ☐ Assumed by Buyer on or before closing
- ☐ Panels are leased by Seller at the current estimated monthly payment of \$ \_\_\_\_\_ and Buyer shall assume the lease on or before closing.
- ☐ Seller has provided to Buyer copies of all documentation regarding solar panels or other sources of energy to the Premises including but not limited to purchase agreements, financing agreements or rental agreements, electricity supply agreements, utility bills/productions and warranties, Buyer acknowledges receipt of all information.
- ☐ Seller shall provide to Buyer not later than 3 business days after the parties' execution of the Contract, copies of all documentation regarding solar panels or other sources of energy to the Premises including but not limited to purchase agreements, financing agreements or rental agreements, electricity supply agreements, utility bills/productions and warranties. Buyer may declare this Contract null and void by giving written notice of termination to Seller not later than 3 business days after the receipt of the documents and information required by this paragraph and in such event all earnest money shall be returned to Buyer. If the documents are inconsistent with the representations in this addendum or the solar agreements cannot be terminated or assigned as of the closing date (if checked to be terminated or assigned as set forth above), then Buyer may cancel within said 3 business day period by providing written notice thereof to Seller, in which event all earnest money shall be returned to Buyer. If Buyer fails to notify Seller of its election to cancel/terminate this Contract on or before said 3 business day period, Buyer shall be deemed conclusively to have waived its right to cancel/terminate Contract.

# Deed of Conveyance Technical Change

**6.7. Deed of Conveyance.** Buyers or Buyers' attorney shall promptly advise Sellers' attorney of the desired form of deed. As soon as practicable thereafter, Sellers' attorney shall prepare and Sellers shall execute a recordable ~~Warranty Deed~~ general warranty deed or fiduciary deed (as applicable) sufficient to convey the real estate to Buyers or their nominee, in fee simple absolute, subject only to exceptions permitted herein. The deed shall then be held by the listing broker or the Sellers' attorney, as escrow agent for both parties with copies of executed deed to be delivered to attorneys for both parties. The deed shall be delivered to Buyers at the closing of this transaction upon Buyers' compliance with the terms of this Contract.



# Taxes, Assessments and Notices (Markup View to See Changes)

**9. Taxes, Assessments and Notices.** Real estate taxes apportioned through the date of possession shall be Sellers' expense. The proration thereof (including any regular annual drainage assessment which are included in real estate taxes) shall be calculated upon the basis of the most current tax information, including confirmed multipliers. Transfer tax and all special assessments and additional assessments which are a lien upon the real estate as of the date of this Contract shall be Sellers' expense, except as otherwise set forth below. Any sanitary district, municipal sewer or recycling, regular condominium, homeowners or lake association dues or charges apportioned through the date of possession, and any special or additional assessments which have received final approval by any applicable government entity or association as of the date of this Contract, even if not yet billed or due, shall be Sellers' expense, unless such assessments are payable in future installments, in which event only the installment for year of closing shall be apportioned through the closing date, and all future installments shall be paid by Buyer. . All such taxes, special assessments and additional assessments shall constitute a credit to Buyers against the purchase price and shall release Sellers from any further liability to Buyers in connection therewith. ~~Only if the most current tax information is the most recent tax bill, will the proration of current taxes include any regular annual drainage assessment. The~~ Sellers expressly warrant that Sellers have received no notice from any city, village or other governmental authority of a current dwelling code or other ordinance violation or pending rezoning, reassessment, or special assessment proceeding affecting the Premises.



# Taxes, Assessments and Notices ("Clean" View of New Version)

188 **9. Taxes, Assessments and Notices.** Real estate taxes apportioned through the date of possession shall be Sellers' expense. The  
189 proration thereof (including any regular annual drainage assessments which are included in real estate taxes) shall be calculated  
190 upon the basis of the most current tax information, including confirmed multipliers. Transfer tax and all special assessments  
191 and additional assessments which are a lien upon the real estate as of the date of this Contract shall be Sellers' expenses,  
192 except as otherwise set forth below. Any sanitary district, municipal sewer or recycling, regular condominium, homeowners  
193 or lake association dues or charges apportioned through the date of possession, and any special or additional assessments  
194 which have received final approval by any applicable government entity or association as of the date of this Contract, even if  
195 not yet billed or due, shall be Sellers' expense, unless such assessments are payable in future installments, in which event only  
196 the installment for year of closing shall be apportioned through the closing date, and all future installments shall be paid by  
197 Buyers. All such taxes, special assessments, and additional assessments shall constitute a credit to Buyers against the purchase  
198 price and shall release Sellers from any further liability to Buyers in connection therewith. Sellers expressly warrant that Sellers  
199 have received no notice from any city, village, or other governmental authority of a current dwelling code or other ordinance  
200 violation or pending rezoning, reassessment, or special assessment proceeding affecting the Premises.



*While the new contract language has the Buyer taking over assessments "payable in future installments," this may still be disallowed on financed transactions if not allowed by the lender.*



# Default Paragraph Updates (Markup View to See Changes)

**D.** In the event of such breach, the non-defaulting party shall be excused from further performance of the Contract, unless such party elects the remedy of ~~Specific Performance~~specific performance.

**E.** The prevailing party in any litigation to enforce this Contract, or to recover earnest money, shall be entitled to recover reasonable attorney fees and related costs.

**F.** In the event of a dispute over the disposition of earnest money, the earnest money shall continue to be held in the trust account of the escrow agent and only released in accordance with applicable Illinois Law. ~~until: (i) the agent has a written release from all parties consenting to the disposition, or (ii) a civil action is filed, by either the broker or one of the parties, to determine the disposition of the earnest money, at which time payment may be made into court; or (iii) deposit is made with the Illinois Department of Financial Institutions in accordance with the law. Similarly, the executed warranty deed shall continue to be held by the escrow agent for such deed until the agent has been provided a written release from all parties consenting to its disposition, or until a civil action is filed, by either the escrow agent or one of the parties, to determine its disposition, at which time the warranty deed may be filed with the court.~~

# Financing Contingency Updates (Markup View to See Changes)

~~15.~~ **16. Financing Contingency.** Check and complete only the applicable sub-paragraphs.

☐ **A. Conventional Mortgage Loan.** This Contract is contingent upon Buyers obtaining a mortgage commitment for at least \_\_\_\_\_% of the purchase price, at an initial interest rate not greater than \_\_\_\_\_%, for an amortization term not less than \_\_\_\_\_ years (with a balloon, if applicable, of not less than \_\_\_\_\_ years).

☐ **B. VA Mortgage Loan.** This Contract is contingent upon Buyers securing a commitment for a VA mortgage loan of the amount applied for with VA funding fee financed at an interest rate of no more than \_\_\_\_\_%. It is expressly agreed that, notwithstanding any other provisions of this Contract, ~~(1) Sellers shall pay the cost of any wood infestation inspection; and (2)~~ Buyers shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the Contract purchase price or cost exceeds the reasonable value of the property established by the Veterans Administration. Buyers shall, however, have the privilege and option of proceeding with the consummation of this Contract without regard to the amount of the reasonable value established by the Veterans Administration.



# Diligent Effort & Notice Updates

## Markup Version to See Changes

~~16.~~ **17. Diligent Effort and Notice.** Commencing on \_\_\_\_\_, Sellers may terminate this Contract by written termination notice to Buyers if Buyers have not formally applied for the above financing prior to the date of such written termination notice with the following lender (s): \_\_\_\_\_ or such other lenders approved in writing by Sellers, in Sellers' sole discretion. If the list of lender(s) set forth above is blank, it will be presumed the lender shall only include such lender set forth in the pre-approval(s) of financing letter by Buyers to Sellers prior to the parties' execution of the Contract, unless such list of lender(s) is otherwise agreed to in writing by Sellers and Buyers. If Buyers, after diligent effort, are unable to obtain such a commitment

## “Clean” Revised Version

296 **17. Diligent Effort and Notice.** Commencing on \_\_\_\_\_, Sellers may terminate this Contract by written termination  
297 notice to Buyers if Buyers have not formally applied for the above financing prior to the date of such written termination  
298 notice with the following lender(s): \_\_\_\_\_  
299 or such other lenders approved in writing by Sellers, at Sellers' sole discretion. If the list of lender(s) set forth above is blank,  
300 it will be presumed the lender shall only include such lender set forth in the pre-approval(s) of financing letter by Buyers to  
301 Sellers prior to the parties' execution of the Contract, unless such list of lender(s) is otherwise agreed to in writing by Buyers  
302 and Sellers. If Buyers, after diligent effort, are unable to obtain such a commitment conditional only upon maintenance of  
303 the status quo and other matters within Buyers' control, on or before \_\_\_\_\_ ("Financing Contingency Date"),



# Key Considerations for “Diligent Effort & Notice” Revisions

1. Designed to eliminate the practice of a Buyer securing a contract using a reputable local lender, only to switch to a lender no one has heard of after getting under Contract.
2. Still allows flexibility for changing lenders by including more than one in Line 298 or by obtaining Seller agreement for a subsequent change.
3. **Not intended to limit consumer choice in any way; only to limit unilateral changes after getting under contract.**



# Diligent Effort & Notice Updates (Cont.)

296 **17. Diligent Effort and Notice.** Commencing on [REDACTED], Sellers may terminate this Contract by written termination  
297 notice to Buyers if Buyers have not formally applied for the above financing prior to the date of such written termination  
298 notice with the following lender(s): [REDACTED]  
299 or such other lenders approved in writing by Sellers, at Sellers' sole discretion. If the list of lender(s) set forth above is blank,  
300 it will be presumed the lender shall only include such lender set forth in the pre-approval(s) of financing letter by Buyers to  
301 Sellers prior to the parties' execution of the Contract, unless such list of lender(s) is otherwise agreed to in writing by Buyers  
302 and Sellers. If Buyers, after diligent effort, are unable to obtain such a commitment conditional only upon maintenance of  
303 the status quo and other matters within Buyers' control, on or before [REDACTED] ("Financing Contingency Date"),  
304 and serve written notice of termination upon Sellers, stating such inability along with written proof of the inability to obtain  
305 such commitment from the lender(s) ("Buyers' Notice of Termination"), then Buyers shall be entitled to refund of the earnest  
306 money and this Contract shall be void. If Buyers' Notice of Termination has not been served by Buyers upon Sellers prior to  
307 the expiration of the Financing Contingency Date, Sellers may take no action in which case this financing contingency shall  
308 continue; provided, however, notwithstanding anything contained herein, the earnest money shall be deemed nonrefundable  
309 to Buyers (except in the event of Sellers' default pursuant to this Contract), but applicable to the purchase price at closing.  
310 Sellers may, at any time after the expiration of the Financing Contingency Date, serve upon Buyers written notice that Buyers  
311 have 7 days thereafter to serve Buyers' Notice of Termination. If no such Buyers' Notice of Termination is served by Buyers upon  
312 Sellers within said 7 day period, then this Contract shall remain in full force and effect and the financing contingency shall be  
313 deemed to have been waived by Buyers. Notwithstanding anything contained in this Contract to the contrary, nonavailability  
314 of funds required from Buyers at closing shall not be a valid basis for cancellation of the Contract due to unavailability of  
315 financing. If Buyers become aware that the property is in a flood plain or that Sellers currently have flood hazard insurance on  
316 the property, Buyers may terminate this Contract within 7 days thereafter by written notice of termination to Sellers unless  
317 this condition was disclosed to Buyers in writing prior to Buyers signing the Contract.



# Diligent Effort & Notice Updates (Cont.)

agreed to in writing by Sellers and Buyers. If Buyers, after diligent effort, are unable to obtain such a commitment conditional only upon maintenance of the status quo and other matters within Buyers' control, on or before

\_\_\_\_\_, \_\_\_\_\_ ("Financing Contingency Date"), and serve written ~~Notice~~notice of ~~Termination~~termination upon Sellers, stating such inability, along with ~~copy(ies)~~ written proof of the inability to obtain such commitments~~such denial letter(s)~~ from the lender(s) ("Buyers' Notice of Termination"), then Buyers shall be entitled to refund of the earnest money and this Contract shall be void. ~~If seven (7) days prior to the commitment deadline no such notice~~ If Buyers' Notice of Termination has not been served by Buyers upon Sellers, the prior to the expiration of the Financing Contingency Date, Sellers may take no action in which case this financing contingency shall continue. ~~Alternatively,;~~ provided, however, notwithstanding anything contained herein, the earnest money shall be deemed non-refundable to Buyers (except in the event of Sellers' default pursuant to this Contract), but applicable to the purchase price at closing. Sellers may, at any time ~~thereafter~~after the expiration of the Financing Contingency Date, serve upon Buyers written notice that Buyers have ~~seven (7)~~ days thereafter to serve Buyers' Notice of Termination ~~and be entitled to the return of earnest money~~. If no such Buyers' Notice of Termination is served by Buyers upon Sellers within ~~that additional~~said ~~seven (7)~~ day period, then this Contract shall remain in full force and effect and the financing contingency shall be deemed to have been waived by Buyers. ~~Non~~ Notwithstanding anything contained in this Contract to the contrary, non-availability of funds required from Buyers at closing shall not be a valid basis for cancellation of the Contract due to unavailability of financing. If Buyers become aware that the property is in a flood plain or that the Sellers currently have flood hazard insurance on the property, Buyers may terminate this Contract within ~~seven (7)~~ days thereafter by written notice of termination to Sellers unless this condition was disclosed to Buyers in writing prior to Buyers signing the Contract.



# Entirety of Agreement

331 **19. Entirety of Agreement.** This Contract contains the entire agreement between the parties and NO ORAL REPRESENTATION,  
332 warranty, or covenant exists other than those herein set forth. References to plural parties shall apply to singular parties as well.  
333 References to a specific number of days shall mean calendar days, except where otherwise noted as business days in which event  
334 business days shall mean any day other than Saturday, Sunday, a day which is a federal legal holiday in the United States, or a day  
335 on which federally insured national banking associations located in the county in which the premises is situated is authorized or  
336 obligated by law to be closed.

Initials

# Changes to Warning Box Regarding Appropriate Property Types

## Markup Version to See Changes

**WARNING:** ~~THIS CONTRACT IS VOIDABLE BY EITHER PARTY IF USED FOR ANY TRANSACTION OTHER THAN THE PURCHASE OF A PREVIOUSLY OCCUPIED SINGLE FAMILY PROPERTY.~~ DO NOT USE THIS FORM WITHOUT THE ADVICE OF AN ATTORNEY FOR INSTALLMENT SALES, MOBILE HOMES, MULTI-FAMILY PROPERTY, COMMERCIAL PROPERTY, EXCHANGES, COOPERATIVE SHARE TRANSFERS, NEW CONSTRUCTION, **UNIMPROVED LAND**, OR HOMES NOT PREVIOUSLY OCCUPIED. **CAUTION:** THIS WILL BE A LEGALLY BINDING CONTRACT WHEN FULLY SIGNED BY ALL NAMED PARTIES PERSONALLY OR BY AN AGENT WITH WRITTEN POWER OF ATTORNEY TO DO SO. A PHOTOCOPY OR FACSIMILE OF A PARTY'S ORIGINAL SIGNATURE SHALL BE AS EFFECTIVE AS THE ORIGINAL. SIGNATURES BY AN AGENT WITHOUT THE AUTHORITY OF A WRITTEN POWER OF ATTORNEY SHALL BE OF NO EFFECT. IF YOU DO NOT UNDERSTAND THE TERMS OR WISH TO INCLUDE ADDITIONAL TERMS NOT AVAILABLE ON THE PRE-PRINTED ADDENDUM FORMS, SEEK LEGAL COUNSEL BEFORE SIGNING.

## “Clean” Revised Version

**WARNING:** DO NOT USE THIS FORM WITHOUT THE ADVICE OF AN ATTORNEY FOR INSTALLMENT SALES, MOBILE HOMES, MULTI-FAMILY PROPERTY, COMMERCIAL PROPERTY, EXCHANGES, COOPERATIVE SHARE TRANSFERS, NEW CONSTRUCTION, UNIMPROVED LAND, OR HOMES NOT PREVIOUSLY OCCUPIED.

**CAUTION:** THIS WILL BE A LEGALLY BINDING CONTRACT WHEN FULLY SIGNED BY ALL NAMED PARTIES PERSONALLY OR BY AN AGENT WITH WRITTEN POWER OF ATTORNEY TO DO SO. A PHOTOCOPY OR FACSIMILE OF A PARTY'S ORIGINAL SIGNATURE SHALL BE AS EFFECTIVE AS THE ORIGINAL. SIGNATURES BY AN AGENT WITHOUT THE AUTHORITY OF A WRITTEN POWER OF ATTORNEY SHALL BE OF NO EFFECT. IF YOU DO NOT UNDERSTAND THE TERMS OR WISH TO INCLUDE ADDITIONAL TERMS NOT AVAILABLE ON THE PRE-PRINTED ADDENDUM FORMS, SEEK LEGAL COUNSEL BEFORE SIGNING.