

*IAR Legal
Affairs presents:*

2021

**RESIDENTIAL
FORMS CHANGES**



INDIANA
ASSOCIATION
OF REALTORS®

2021

RESIDENTIAL FORMS CHANGES



The following legal forms had significant revisions and updates for 2021:

- Purchase Agreement (Improved Property)
- Purchase Agreement (Unimproved Property)
- Listing Contract (Exclusive Right to Sell) Improved Property
- Multiple Offer Addendum
- Alternative Dispute Resolution Addendum

2021

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PURCHASE AGREEMENT Improved Property (Form #02) Lines 29-32 and Unimproved Property (Form #34) Lines 12- 15:

If Buyer obtains an appraisal of the Property, this Agreement is contingent upon the Property appraising at no less than the agreed upon purchase price. If appraised value is less than the agreed upon purchase price **Buyer retains the option to proceed toward closing at the agreed upon purchase price. If Buyer is not willing or able to proceed at the agreed upon purchase price** then: 1) either party may terminate this Agreement; or 2) parties may mutually agree to amend the agreed upon price.

REASON: Provides the Buyer the option of continuing with the transaction at the purchase price if appraisal is lower than purchase price.

*Highlighted language is new

2021

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PURCHASE AGREEMENT Improved Property (Form #02) Line 74 and Unimproved Property (Form #34) Line 59:

Add:

Buyer is is not using a down payment assistance program that may require an inspection.

REASON: To provide full disclosure to Seller.

*Highlighted language is new

2021

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PURCHASE AGREEMENT Improved Property (Form #02)

Lines 149-151:

Buyer's intended use for the Property is single-family, owner occupied use Other _____ . Buyer shall have ____ days after acceptance of Purchase Agreement to satisfy the following building or use limitation:

_____.

REASON: To provide full disclosure to Seller of Buyer's intended use of the property and to specify deadline for Buyer to satisfy any building or use limitation.

*Highlighted language is new

2021

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PURCHASE AGREEMENT Unimproved Property (Form #34)

Line 163:

Add: soil samples, soil test(s), site analysis

REASON: To include common testing for unimproved property.

* Highlighted language is new.

2021

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LISTING CONTRACT Exclusive Right to Sell (Form #01) Line 30:

Add: (If applicable, any smart home devices should be addressed in this paragraph.)

REASON: To help remind Broker and Buyer to be aware of smart home features that may be present in the home (i.e. doorbell, thermostat, etc.) and to make sure they are excluded in the Purchase Agreement if Seller does not want them to stay with the Property.

* Highlighted language is new.

2021

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MULTIPLE OFFER ADDENDUM TO PURCHASE AGREEMENT (Form #46): Line 23

5. Additional offer(s) not previously received may be considered.

REASON: Notifying Buyer that, in the event one or more offers are submitted to Seller after the Multiple Offer Addendum is provided to Buyer, Seller may consider such offers.

***Highlighted language is new.**

2021

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ALTERNATIVE DISPUTE RESOLUTION ADDENDUM (Form #39) Lines 6, 11, 15, 23, 25, 31, 37, 48:

Dispute limit to be changed from \$3,500 to \$6,000.

REASON: Jurisdictional limits for Small Claims Courts in Indiana are now at least \$6,000.

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Special thanks must be extended to the IAR Forms Committee. This volunteer group provides many hours of time each year to provide the most current updates to these forms.

Questions on these changes may be directed to the IAR Legal Hotline:
1.800.444.5472 (toll free)

The IAR Legal Hotline is available to Managing Broker members and their designated agents, statewide, Monday-Friday 9:00am to 5:00pm.