



March 17, 2020

The Indiana Association of REALTORS® hosted a call with some leading Managing Brokers from around the state who've reached out over the last week or so regarding issues that have arisen since the virus COVID-19 arrived in Indiana. It was also discussed how IAR could help in these uncertain, worrisome times. In consultation with these Managing Brokers, as well as NAR and outside counsel, here are some things IAR wants you to know.

Attendance at Closing

Although Indiana license law requires broker attendance at closing, there is an exception that if your client does not attend, then the broker does not have to attend. Remote closings for your client, or requests not to appear in person, may lend itself to falling within this exception.

If you are not able or are unwilling to attend closing, communicate with your client, advise of the circumstances, and let them know that you will be available virtually, by phone or some other acceptable means of communication. Document this disclosure with your client.

Acting in good faith pursuant to emergency Centers for Disease Control and Prevention (CDC), local, state, and national guidelines in these unusual circumstances should protect our members from any violation of this law. If the Indiana Real Estate Commission (IREC) provides some guidance in the future, we will keep you updated.

Contracts

In dealing with future delays or possible contract cancellations, we suggest the following language be used in the Further Conditions of the Purchase Agreement:

Notwithstanding any other provisions of this Agreement, the parties agree and acknowledge that in the event either the Buyer, Buyer's lender, Seller, any of their respective service providers, government agency or any other agency becomes the subject of a voluntary or mandatory COVID-19 virus quarantine or closure prior to or at the time of Closing, or if Buyer or Seller is the party to another transaction that is delayed as a result of a voluntary or mandatory COVID-19 virus quarantine, that results in the parties inability to perform on the Closing Date, the closing may be automatically extended by either party for a period of up to ten (10) business days after such quarantine or closure order is lifted, up to a maximum delay of thirty (30) days unless the parties otherwise mutually agree to extend the performance date further. Upon the expiration of any automatic or agreed extension, either party may terminate this Agreement without any further liability to the other party, and the Earnest Money shall be immediately refunded to the Buyer.

This protective language can also be used for transactions already in place by adding it in an Amendment or other applicable legal form.

Questions

The IAR Legal Hotline is open. We imagine new questions will develop as we navigate these uncharted waters. Ask your Managing Broker to call or authorize you to call the hotline.

1-800-444-5472

Monday—Friday | 9am—5pm ET

Calls are answered in the order they are received, always by phone, and within 24 hours.