

CHANGES TO THE RPA AND HOW THEY WILL AFFECT YOUR ESCROW

Miscellaneous Changes You Should be Aware of

The revised Residential Purchase Agreement (RPA) contains a number of changes and new provisions. Here are some of the highlights:

- » **Paragraph 4B** now requires that contracts contingent upon the sale of a buyer's property must include the addendum CAR Form COP.
- » **Paragraph 5** contains a list of addenda to the contract. Each addendum that will be attached should be noted by checking the boxes as applicable.
- » **Paragraph 7D(9)** regarding the purchase of a home warranty plan now includes a box to waive the purchase. If a home warranty plan will not be provided or purchased by the seller, the buyer must check the box waiving the purchase.
- » **Paragraph 9B** deals with possession of the property. The default time for delivery has been changed to 6:00 p.m. in order to allow for late confirmations of recording.
- » **Paragraph 9C** is a new paragraph regarding the seller remaining in the property after close of escrow. CAR Form SIP or RLAS will need to be completed and attached to the contract in this case.
- » **Paragraph 19** addresses a buyer or seller who is signing in a representative capacity. This new provision states that CAR Form RCSA shall be attached to the contract when either the buyer or seller or both are entities other than individuals. It also requires that documentation evidencing authority of the signing party to act on behalf of the entity be delivered to the other party and Escrow Holder within 3 days after acceptance.
- » **Paragraph 20B** states that a copy of the RPA, including all counter offers and addenda, shall be delivered to Escrow Holder within 3 days after acceptance. It also states that Escrow Holder shall provide to buyer a Qualified Substitute statement complying with federal law, if the seller delivers to Escrow Holder an affidavit satisfying the seller's FIRPTA obligation under Paragraph 10C.



FirstCaliforniaEscrow *Count on Our Excellence®*

This material is not intended to be relied upon as a statement of the law, and is not to be construed as legal, tax or investment advice. You are encouraged to consult your legal, tax or investment professional for specific advice. The material is meant for general illustration and/or informational purposes only. Although the information has been gathered from sources believed to be reliable, no representation is made as to its accuracy.