

## **The 2021 FAR/BAR contract updates**

1(d) – Personal property that is automatically included in the new contract now includes thermostats, doorbells, television wall mounts/hardware, storm protection items

4 – Closing shall occur when (1) all funds are received by the closing agent and (2) the closing agent has furnished all the relevant docs to each party. The last contract version did not include the funds received language.

6(b) – occupancy now includes short-term vacation rentals

8(a) – Shortened to essentially say there is no financing contingency

8(b) – if there is financing and the lender requires an appraisal, the appraisal at the appropriate value is now a requirement for the financing to be considered “approved”

8(b)1 – If there is a contingency allowing the Buyer to sell his/her own property for loan approval, you must use Rider V under the new contract. Also, there is now a requirement that the Buyer use good faith and diligent effort to secure financing... the contract specifically defines this as supplying all needed documentation to the lender (e.g. tax returns, proof of income, etc) and paying for appraisals, surveys, etc.

8(b)2 – Buyer is required to keep Seller and Broker apprised of their loan application, but only upon Seller and Broker’s written request

8(b)3 – Buyer required to notify Seller that loan is approved within loan period. Alternatively, if Buyer is not able to obtain approval, but is confident that his/her loan will be approved prior to closing, Buyer must also notify the Seller of this information.

8(b)4 – If Buyer is not approved during loan period, the Buyer must notify Seller that they wish to terminate the contract.

8(b)5 – If Buyer fails to secure their loan during the approval period and fails to provide notice of such to Seller, the Buyer is locked into the contract unless the Seller terminates the contract due to the Buyer’s inability to secure the loan during the approval period. Seller must notify Buyer of the cancellation within 3 days of the expiration of the loan approval period.

8(b)6 – If Buyer provides the notice required in 8(b)3, basically acknowledging that he/she has loan approval or will get loan approval prior to the close date, and then fails to close, the Seller gets the deposit automatically. However, if the Seller is in default or there are property related conditions required by the loan approval (N.B. note this clause specifically excludes the appraisal valuation) that are not fulfilled, then the Buyer automatically gets the deposit. Both parties are then released from all contract obligations.

9(c) – Now requires Seller to furnish a copy of the owner’s title policy to the Buyer and Closing Agent 5 days after the effective date of the contract. Also adds water and sewer liens to the municipal lien search language. For Miami-Dade properties, the Buyer is now required to designate the closing agent.

9(d) – Survey is now due at least 5 days prior to the closing date.

9(f) – Language updated to say that if assessments are not able to be prepaid (e.g. they are assessed at different points in time and at times after the closing date) then the Buyer shall be automatically liable for any assessments due after the closing date.

18(f) – clarifies some language on how calendar days are computed saying that if a holiday falls on a Saturday or Sunday resulting in a legal holiday being observed Friday or Monday, the deadline shall extend to the following day.

18(g) – Force Majeure clause adds a few more things that would allow a contract to be postponed to include civil unrest, government actions and mandates, government shut downs, epidemics or pandemics. It also adds language stating that the Force Majeure period starts when one of the events listed takes place and prevents the performance, non-performance or availability of services, insurance or required approvals essential to closing.

18(i)(iii) – requires Buyer to comply with any FINCEN reporting requirements

18(o) – Says all notices must be in writing and may ONLY (“only” was not in previous version) be made by mail, fax, personal delivery or email.