

| Form | Title | Change Description | Change Type | Update | Summary |
|-----------|---|--|-------------|--------|---------|
| OREF-001 | Residential Real Estate Sale Agreement | Major updates to sections 3 & 13 | Update | 21-Aug | LINK |
| OREF-035 | Seller-Carried Promissory Note Secured by Deed of Trust | Language change | Minor | Aug-21 | |
| OREF-040 | Disclosed Limited Agency Agreement for Sellers | Language change | Minor | Aug-21 | |
| OREF-041 | Disclosed Limited Agency Agreement for Buyers | Language change | Minor | Aug-21 | |
| OREF-043 | Wire Fraud Advisory Electronic Funds Advisory | Removed and replaced with new form | New Form | Aug-21 | |
| OREF-045A | Historic Property Addendum | Removed and replaced lines 1-2 | Minor | Aug-21 | |
| OREF-046 | Woodstove/Fireplace Insert Addendum | Updates sections 1-6 | Update | Aug-21 | LINK |
| OREF-053 | Agreement to Occupy Before Closing | Ammended Occupancy to address transfer of keys | Minor | Aug-21 | |
| OREF-054 | Agreement to Occupy After Closing | Technical change to content | Update | 21-Aug | LINK |
| OREF-061 | REO buyer advisory | Language change | Minor | Aug-21 | |
| OREF-080 | Smoke and CO Advisory* | Replaces previously removed version | New form | 21-Aug | LINK |
| OREF-083 | Buyer's Contingent Right to Purchase | Grammar adjustment | Minor | Aug-21 | |
| OREF 097 | FHA Federal VA Amendatory Clause | New Form | New Form | Aug-21 | |
| OREF 099 | Seller's Contingent Obligation to Sell | New form | New Form | Aug-21 | |
| OREF 100 | Unrepresented Party Acknowledgement | New Form | New Form | Aug-21 | |

RESIDENTIAL REAL ESTATE SALE AGREEMENT

OREF 001

Version: 1.1

Change Date: August 30, 2021

What is changing?

Sections 3, 13, and 17

Page 5 Section 13

Change: Seller Property Disclosure

13. SELLER'S PROPERTY DISCLOSURE STATEMENT: Under Oregon law, Buyer has a right to revoke Buyer's offer (the "Revocation Right") unless this transaction is exempt or Buyer has waived the Revocation Right. Buyer may exercise the Revocation Right only in writing and only within five (5) business days after this Sale Agreement has been signed and accepted by both Buyer and Seller AND Seller has delivered to Buyer or Buyer's agent a complete Seller's Property Disclosure Statement. However, Buyer may exercise the Revocation Right any time before receiving the Seller's Property Disclosure Statement, so long as Buyer does so before Closing. This provision supersedes any contrary terms in the Seller's Property Disclosure Statement.

Explanation

Message from OREF Residential Forms Committee Legal Counsel

OREF's Forms Committee received various comments in the first months of 2021 about problems with the Seller's Property Disclosure Statement (Oregon Revised Statutes 105.465) and related statutes. The comments concerned discrepancies between the form and other statutes, questions that these statutes don't answer, and various approaches used by real estate agents to deal with these issues.

The Forms Committee met with real estate agents and lawyers from around Oregon to gather valuable input on how OREF could help bring predictability to the disclosure process. The Committee worked to find a solution that would be consistent with both the apparent intent of the legislation and other applicable law. Most importantly, the Committee decided to make changes to the Sale Agreement instead of the Seller's Property Disclosure Statement, consistent with Oregon case law that allows contract parties to modify their statutory rights as long as the modification does not violate public policy.

The result, which appears in Section 13 of OREF 001 - Residential Real Estate Sale Agreement, protects buyers and sellers by providing that the buyer's 5-day right of revocation period does not commence until two things have happened: 1) the buyer and seller have signed and accepted the Sale Agreement, and 2) the seller has delivered the complete Seller's Property Disclosure Statement to the buyer. Section 32 of the Sale Agreement, which is the "Definitions" section, particularly subsections 3, 5, 8 and 10 of Section 32, answers many questions that may arise in interpreting the revised provision.

This requirement will not slow the transaction, because of the title and inspection contingencies that are already part of most transactions, and it won't prevent the seller from delivering the Seller's Property Disclosure Statement early if the seller chooses to do so (although early delivery would have no legal effect)."

Page 2 Section 3(B)

Clarification: Language added to interpret related content change

As many agents know, the U.S. Department of Veterans Affairs (VA) and the Federal Housing Administration (FHA) require* that whenever a VA or FHA loan will provide financing for a home purchase, the sale agreement must contain a provision stating that the borrower has the option to terminate the sale agreement and receive a prompt refund of all earnest money paid if the appraised value of the property is less than the purchase price. While most lenders once provided this "Amendatory Clause," subscribers have recently notified OREF that lenders occasionally (and more frequently) are calling on agents to provide it.

In considering whether to create an OREF Amendatory Clause form, the Forms Committee determined that although the Amendatory Clause is only required by the lender, there are advantages to having an OREF form: the form is essential if the borrower is depending on VA or FHA financing, agents are able to avoid delays by filling out the form in advance and using an OREF form clarifies that the Amendatory Clause is part of the Sale Agreement, not a loan document.

To remind subscribers of the need to use the Amendatory Clause form if FHA or VA financing is involved, a reference to the form is being added to Section 4.B. (Financing) of the Sale Agreement.

*The VA requirement is in the Code of Federal Regulations, and the FHA requirement is in [HUD 4155-2, Lender’s Guide to the Single Family Mortgage Insurance Process](#)

B. ☐ Balance of Purchase Price to be financed through one of the following Loan Programs (Select only one):

☐ Conventional;

☐ FHA;

☐ Federal VA (Seller ☐ Shall ☐ Shall not agree to pay Buyer’s non-allowable VA fees);

If FHA or Federal VA is selected, OREF 097 FHA / Federal VA Amendatory Clause is attached.

☐ Other (Describe): _____

Page 6 Section 17

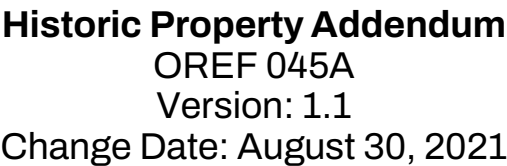
Edit Only: Name changed to reflect current form name

17. **HOMEOWNER’S ASSOCIATION / TOWNHOME / PLANNED COMMUNITY:** Is the Property a townhome, in a planned community, or have a Homeowner’s Association? ☐ Yes ☐ No ☐ Unknown

If yes, OREF 024 **Homeowner’s Association / Townhome / Planned Community** Addendum will be attached to this Sale Agreement.

Other Adjustments

- Adjusted Section 36.2 (line 472) to reflect OREF-045A’s number update
- Adjusted Section 39.2 (line 495 and 496) to better reflect REALTOR® references, per NAR guidelines.



What is changing?

Page 1 Line 1-2

| HISTORIC PROPERTY ADDENDUM | |
|----------------------------|--|
| 1 | <u>Use this Addendum if the Property is or may be subject to a Historic Property local ordinance or is subject to or may qualify for the Historic Property</u> |
| 2 | <u>Special Property Tax Assessment under ORS 358.475 to 358.563.</u> Upon acceptance by Buyer and Seller, this addendum shall be a part of the Real Estate |
| 3 | Sale Agreement (from now on referred to as the "Sale Agreement") |
| 4 | Seller _____ Seller _____ |
| 5 | Buyer _____ Buyer _____ |
| 6 | Property _____ |

Moved down [1]:

Moved (insertion) [1]

Commented [BH1]: Case #112

Deleted: (Include this addendum in all transactions in which the Property is or may become "historic property")

Explanation

Replaced lines 1-2 with – “Use this Addendum if the Property is or may be subject to a Historic Property local ordinance or is subject to or may qualify for the Historic Property Special Property Tax Assessment under ORS 358.475 to 358.565.”

Agreement to Occupy After Closing

OREF 054

Version: 1.1

Change Date: August 30, 2021

What is changing?

Page 3 Section 13 Line 86-88

| | |
|------|--|
| From | |
| 86 | 13. INSURANCE; DESTRUCTION: On or before Closing, Buyer shall secure a policy of casualty insurance on the Property for its full insurable value, and |
| 87 | Seller shall secure a renters insurance policy listing Buyer as an additional insured with liability coverage in an amount of \$ _____ (\$1,000,000 if not filled |
| 88 | in), providing proof of same on or before closing. Nothing contained herein shall be construed as limiting either party from securing such additional insurance |
| To | |
| 86 | 13. INSURANCE; DESTRUCTION: <u>Before</u> Closing, Buyer shall secure a policy of casualty insurance on the Property for its full insurable value; and Seller |
| 87 | shall secure a renters insurance policy listing Buyer as an additional insured with liability coverage in an amount of \$ <u>_____</u> (\$ <u>500,000</u> if not filled in); |
| 88 | providing proof <u>at least five (5) business days</u> before closing. |

Explanation

Legal Counsel:

OREF subscribers have made a number of comments about the insurance requirements in OREF's Agreement to Occupy After Closing. After discussing those comments with a number of real estate agents and insurance brokers, OREF's Forms Committee decided that some of those requirements should be changed in order to provide appropriate and readily-obtainable coverage to buyers and sellers:

- Because the default amount for insurance was too high for most transactions, that amount was reduced from \$1,000,000 to \$500,000. The blank remains, so the parties are free to agree to a different amount.
- To ensure that insurance is in place by closing, the requirement to provide proof of insurance was moved from Closing to five days before Closing.
- Some of the language was simplified.

The new Smoke and Carbon Monoxide Alarm Advisory provides a summary of alarm rules and a list of sources consumers can use to obtain information about alarm requirements. OREF will update the web addresses in this form as they change in the future."