

Revised December 2021 RPA

Some things old. Some things new. Everything better. Just for you.

What's the Same:

1. Transaction process – business as usual • Initial deposit • Loan application and verification • Setting Close of Escrow date • Buyer Investigation and Loan Contingency remain the default • Items included • Disclosures • Closing and Possession • Allocation of Costs • Final Verification • Definitions • Electronic signatures.
2. Active Contingency Removal process remains – fair to both parties
3. Notice to Perform process remains – avoids surprise cancellation
4. Optional Liquidated Damages and Arbitration clauses remain -- giving parties choices
5. Mandatory Mediation remains – avoids potential costs and delay of adversary dispute resolution

What's New (and Better):

1. Format: All contract negotiation points moved to beginning of contract in an easy to read, easy to understand grid format. Only liquidated damages, arbitration and counter offer terms after the grid have fill-in fields.
 - a. No separate summary form needed to quickly find relevant terms. Grid is part of the contract, increasing chance substantive clauses will be more carefully reviewed.
 - b. No fumbling around to find negotiation terms--reduced chance of missing something;
 - c. No struggle to find detailed paragraph terms. Quick reference in grid makes it easy to direct client without having to flip through pages;
 - d. No surprises by "hidden" checkbox or inserted number changes;
 - e. All contingency periods default to same time period so changes are easy to identify;
 - f. More space between lines and paragraphs and added subparagraphs for easier reading;
 - g. Increased check box choices to avoid disputes over which items are included;
 - h. Separate addenda (rather than entire contract), for mobile homes, probate sales, tenancies-in-common, stock cooperatives, and tenant occupied properties.
2. Reorganization of the paragraphs so they are logically grouped together:
 - a. Contingencies and Disclosures;
 - b. Liquidated damages and arbitration clauses boxed (to avoid missed initials);
 - c. Order of paragraphs not disjointed for a more nature flow.
3. Reorganized signature paragraphs:
 - a. Easy to identify if agreement is subject to seller counter offer or back up offer;
 - b. Entity signatures built in--eliminates the need for most RCSD forms;
 - c. More space to avoid overlap of signatures on text and more space for long names.
4. Real Estate Broker Section:
 - a. Easier to identify if multiple agents, such as a team or even co-brokerage;
 - b. Easier to identify electronic communications, such as email address or text #.

Each time the C.A.R. RPA undergoes a major revision, it gives members the opportunity to learn the agreement at a deeper level. While much of the agreement remains the same and includes improved layout changes, all members are strongly encouraged to take this opportunity to become familiar with the new RPA before using it in a transaction. A variety of training resources (including a sample of the December 2021 RPA) may be found at:

<https://www.car.org/riskmanagement/rpa2021>.