



Negotiating Repairs

Using the RR and RRRR Forms

What “R” the RR and RRRR Forms?

- RR = “Request for Repair” form
- RRRR = “Seller Response and Buyer Reply to Request for Repair” form
- Use these to facilitate the negotiation of repairs and removal of contingencies



How the RR Form Works (Buyer's Request)

- Buyer requests repairs using RR form
 - ❖ List of repairs too long? zipForm® will automatically attach a text overflow addendum
 - ❖ Termite repairs can be requested based upon an already-conducted inspection
 - ❖ Also use to request credits or price reduction in lieu of repairs
 - Credit must be disclosed to lender
 - Total credit may not exceed lender-allowable credit
 - ❖ Give Seller copies of reports with request. Seller to share with future buyers if the request is declined and the transaction fails
 - ❖ If Seller agrees and buyer signs RR form the identified contingencies are automatically removed with Buyer's signature!



How the RR Form Works (Seller's Response)

■ Seller can:

- ❖ Respond with RR if Seller agrees to everything or nothing in the request
- ❖ Respond with RRRR if Seller agrees to some or makes any changes to the request
- ❖ Not respond = no to the request (but a response is courteous)
- ❖ Seller agreement is conditional; Buyer must agree to remove identified contingencies



How the RRRR Form Works

- In 1A, list those repairs Seller will not make
- Seller agreement is conditional; Buyer must agree to remove identified contingencies
- Buyer may accept Seller's response or counter terms in 2 or make a new Request for Repair (RR)
- Buyer's signature removes identified contingencies. No signature is needed on the Contingency Removal (CR) form (but doing so causes no harm and can be helpful)
- If Buyer counters, then Seller needs to complete section 3 of RRRR. Otherwise, this section is left blank

Is Seller Obligated to Make Repairs?

The answer is “No” – with two exceptions:

Exception #1

- RPA, Paragraph 7B: Property is sold “as is” on the date of acceptance. Seller must repair damage to property that occurs between date of acceptance and before close of escrow

Exception #2

- Repairs required by state and local law
 - Examples: Point-of-sale bracing of water heaters; retrofitting sliding and shower doors; installing operable smoke detectors
 - Law enables cost of repairs to be negotiated, but parties may not contract to avoid them

Is Seller Obligated to Make Repairs?

No Requirement

- RPA, Paragraph 7B states property improvements may not be built “to code,” in compliance with current law or have had permits issued
- *Known* conditions must be disclosed by Seller, but they are not required to be repaired



Special Considerations: VA and FHA loans

01

Repair of habitability conditions by Seller may be required by Buyer's lender

02

Use CAR Form RR to make requests for repairs for these loans

03

Buyer should determine Seller's response before removing the contingency. Otherwise, lender may not fund and Buyer could be in breach



Evaluating Repair Requests

- Material defects disclosed in the inspection reports must be disclosed to other prospective buyers
- Other buyers may want similar repairs
- Selling price may be affected if sale is cancelled and property is relisted
- If Buyer isn't satisfied with repairs, seller may face post-close negotiation or liability
 - This is a common reason for Seller to offer credit or price concession instead of making repairs





Alternatives to Making Repairs

- Form RR enables the Buyer to ask for repairs, a credit, a price reduction or all
- Seller may offer a credit or a reduction in price in lieu of making repairs
 - Note: Repair of habitability conditions by Seller may be required by Buyer's lender
- If the lender disallows the credit?
 - The lender's decision must be respected; the credit will not be paid
 - Solution? Ask lender about the maximum credit in advance

Additional Resources

- C.A.R. Legal Q & A: [Requests for Repair and Use of the RR and RRRR Forms](#)

- C.A.R. Video Short:

- 1) Negotiating Repairs Tips for Sellers (available on www.car.org in the Legal Tools section)
- 2) Negotiating Repairs Tips for Buyers (available on www.car.org in the Legal Tools section)