

Forms Update: A Prelude to a New RPA

By Dave Gillingham

Hello from your favorite forms guy! Here it is, the season of spring, and you know what that means: Time for a semi-annual forms release from the California Association of REALTORS®. I always find this very exciting, but to be honest, this particular forms release was a bit underwhelming.

That said, the recent forms release is a prelude to a seismic event in the C.A.R. forms world: the imminent release of the revised Residential Purchase Agreement (RPA). More about that in a minute.

The April release did have a few highlights:

Representative Capacity Signature Addendum (RCSA) - This consolidates all of the heretofore separate signature addenda into one form: Probate, Trusts, Power of Attorney, Corporate, etc. now use one form.

Declaration Regarding Real Estate License and Tax Reporting (DLT) - This form was revised such that IRS Form W-9 is no longer needed.

Notice of Non-Responsibility (NNR) - If do commercial leasing or in other situations where somebody else is contracting for work on your property (as is typical with tenant improvements),

you will find this form useful.

Transfer Disclosure Statement (TDS) - This form was modified to comply with new statutory requirements. If you are one of the dinosaurs that still use paper forms (and you know who you are) please discontinue use of old forms by June 30th of this year. You more enlightened folks that use Zipform don't have to worry about using an out of date form :)

So, as I mentioned, a revised RPA should be released later this year. A very dedicated and knowledgeable committee has been working on the revision for more than a year. The latest version (of the draft form) was released just a couple of weeks ago and is available for your review and comment. Please check it out at on.car.org/RPA2014 (which I know looks odd, but it works), and please send any comments you have to Carforms@car.org. The comments will be reviewed by the committee. I think we have reviewed in excess of 300 comments to date, and many of the comments have provoked considerable debate. We need your input!

Finally, I want to remind all of you practitioners of the potential peril of creating your own disclosure forms. While you may have the best of

intentions, and perhaps feel that the C.A.R. or SDAR forms do not cover all the bases, the process of creating your own forms is fraught with peril.

For example, I recently became aware of an office that was using its own "local disclosure" form. It turns out this particular office had extracted information from the SDAR Local Area Disclosures (LAD) many years ago and had created their own form. While there were a couple of useful additions to the information in the SDAR LAD, the form had been extracted from an LAD that had been revised at least twice. All of the web links and phone numbers were no longer valid, and some of the zoning information was far out of date. Had a buyer relied on some of the incorrect info when purchasing a home, there could have been problems for the office. In my opinion, the office would have been far better off submitting their changes to SDAR for incorporation into the SDAR LAD.

Thanks to all three of you that have made it this far :) Let us know what you think about the draft RPA!

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