

Contract Tips for This Emergency Situation:

Here are a few thoughts to help you set correct expectations and give relevant counsel to your clients:

1): Lenders may require inspections or require extensions until inspections can be completed.

2): Extending the option period is a reasonable request. Inspections may be challenging to get scheduled and those able to be conducted in the next days may not be very useful.

3): Extending the closing is a reasonable request. Allow the current owner to deal with whatever needs to be handled to restore the property to its original condition.

4): BECOME AN EXPERT IN PARAGRAPH 14:

CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date.

If Seller fails to do so due to factors **beyond Seller's control (No service people available would qualify)** Buyer may:

(a) terminate this contract and the earnest money will be refunded to Buyer

(b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (BUYER MAY EXTEND 15 DAYS, No Negotiation required)

(c) accept the Property in its damaged condition with an assignment of insurance proceeds, if permitted by Seller's insurance carrier, and receive credit from Seller at closing in the amount of the deductible under the insurance policy.

Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

5): Paragraph 10 also makes this clear: ***Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted.***

6): You can attempt to negotiate escrow if the buyer's lender will accept. An escrow holdback that funds the repairs could be a solution.

Let us not be surprised if some sellers (builders) are not motivated to retain their current buyers since they may believe they can get a higher price now than 45 days ago. That is why BEYOND SELLER'S CONTROL is an important statement. Be ready with some service providers that can show up and do the work, or prepare your buyer for the possibility of escrow or assigned insurance proceeds in order to retain the buyer's right to purchase the home.

Patience and professionalism will win the day! Stay Tuned for More Important Updates!