

ARE YOU READY FOR THE NEW STATEWIDE SALES CONTRACT?

By: Barry S. Goodman, Esq.



TRIPLE PLAY SESSIONS

New Contract of Sale Overview	Dec. 8	10 a.m.
New Contract of Sale Overview	Dec. 8	1 p.m.
New Contract of Sale Overview	Dec. 9	11 a.m.
New Contract of Sale Overview	Dec. 9	2 p.m.
NJ Legal Update	Dec. 10	10 – 11 a.m.

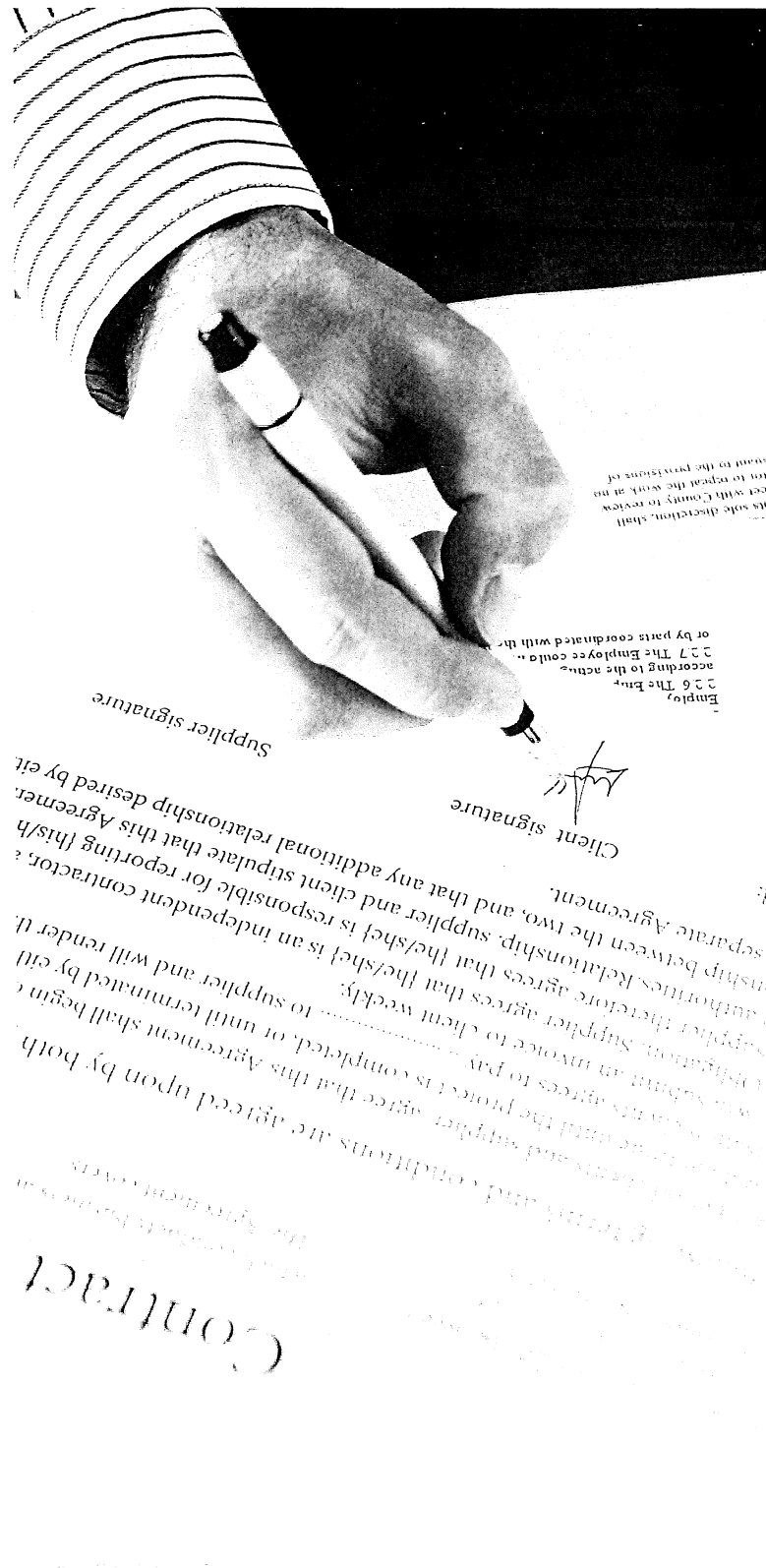
New Jersey Realtors® has updated its Standard Contract of Sale for residential transactions, including adding provisions to address the new TILA-RESPA Integrated Disclosure rule that went into effect on October 3, 2015. This new statewide contract incorporates the best practices of North Jersey, Central Jersey, and South Jersey.

While this article merely provides a highlight of some of the new sections that have been added or revised, in order to fully understand all of the changes in the contract, you are encouraged to read the statewide contract in its entirety.

You'll initially notice that the mandatory Opinion 26 Notice, which serves as the cover page of the contract, has been changed to include a place for the listing broker to sign and for the person who prepared the notice to sign as well. Then, on the first page of the contract, the table of contents has been moved to just below the attorney-review language, and there is a breakdown of the purchase price to outline how the buyer will pay for the property.

The updated statewide contract also has a number of new sections, including sections that address the following:

- Buyer's property sale contingency
- Time of the essence, which includes what happens if a closing is delayed because of the new CFPB rules
- Condominium/homeowner's associations, if applicable



- Lead-based paint warning, which does not replace the addendum that has to be provided for properties built prior to 1978
- Flood insurance provision
- Air safety and zoning notices
- Initial and final walk-throughs that meet the new CFPB rules
- An agreement by the buyer and seller that the brokers are entitled to receive the closing disclosure documents
- Professional referrals made by real estate licensees to buyers and sellers
- Electronic signatures and documents
- Corporate resolutions

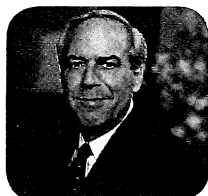
In addition, some of the major revisions to sections that already were in the contract pertain to the following areas:

- The initial deposit
- The mortgage commitment section
- Placing a cap on the amount the seller has to pay to bring a property into zoning compliance
- Real Estate Commission ID numbers, which a lender must have under the new CFPB rules
- Additional methods of providing notices under the Contract

New Jersey Realtors® has also updated its Rider to the Contract for New Construction, as well as its Addendum Regarding Possible Short Sales. In addition, a timeline has been created to include all of the deadlines set forth in the new contract to help Realtors® better keep track of each transaction.

To ensure that you are ready to use the new Statewide Sales Contract, New Jersey Realtors® has a number of informational videos on their website, including two recorded webinars. For any additional questions you may have regarding the form, plan to attend one of the live seminars that are being offered at the Triple Play Realtors® Convention & Trade Expo. ■

Barry S. Goodman, a partner in the law firm of Greenbaum, Rowe, Smith & Davis, LLP, focuses his practice on real estate brokerage and other real estate-related matters, as well as antitrust suits and corporate shareholders' and partnership disputes. He is General Counsel for New Jersey Realtors®.



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