

Oregon Real Estate Forms, LLC

MID-YEAR FORMS CHANGES

Mid-Year Updates to Oregon Real Estate Forms Residential Library

Change Date: August 30, 2021

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Section 1 - New Forms

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OREF 097 – FHA / Federal VA Amendatory Clause

When a sale agreement involves the use of FHA/Federal VA financing, FHA and Federal VA rules require the sale agreement to contain a clause stating that the purchaser may terminate if the property does not appraise at or above the purchase price. OREF 097 was created when some agents reported that certain lenders were refusing to provide this addendum.

OREF 097 FHA Clause

FHA CLAUSE (Applicable if Buyer is applying for FHA financing):

It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise, unless the purchaser has been given, in accordance with HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of the property of not less than \$_____ (the contract purchase price). The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.

OREF 097 VA Clause

VA CLAUSE (Applicable if Buyer is applying for VA financing):

It is expressly agreed that, notwithstanding any other provisions of this Sale Agreement, the Buyer shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the Property described herein, if the contract purchase price or cost exceeds the reasonable value of the Property established by the Department of Veterans Affairs. The Buyer shall, however, have the privilege and option of proceeding with the consummation of this Sale Agreement without regard to the amount of the reasonable value established by the Department of Veterans Affairs.

OREF 001 - FHA and VA

Page 2 Section 3(B)

Coincides with the release of OREF 097 - FHA Federal VA Amendatory Clause

B. Balance of Purchase Price to be financed through one of the following Loan Programs (Select only one):

Conventional; FHA; Federal VA (Seller Shall Shall not agree to pay Buyer's non-allowable VA fees);

If FHA or Federal VA is selected, OREF 097 FHA / Federal VA Amendatory Clause is attached.

Other (Describe): _____.

OREF 099 – Seller’s Contingent Obligation to Sell

Because of challenges with low inventory, OREF subscribers identified a need to create consistency in the marketplace for sellers who want to accept an offer on their property and make that acceptance contingent on securing a replacement property. This Addendum makes more listings available to buyers and assures sellers that they are not obligated to sell if they cannot find a replacement property.

The OREF 099 - Seller’s Contingent Obligation to Sell Addendum establishes a contingency allowing the seller(s) to terminate the sale of their current property within a defined number of days based on the status of the contract for the sellers’ replacement property. If a buyer is willing to accept this contingency, the parties can define how to address timelines within the sale agreement relative to the replacement property contingency.

Section 1. The Sale Contingency

The parties establish a time frame for Seller to terminate based on a particular status of the replacement property contract. The seller selects a reason for termination to define the Sale Contingency Period.

1. → **The Sale Contingency.** Seller intends to enter into an agreement for the purchase of a replacement property (“**Replacement Property**”). Within _____ business days (5 if not filled in) after the date Buyer and Seller signed and accepted this Sale Agreement (the “**Sale Contingency Period**”), Seller may terminate this Sale Agreement if Seller does not (select one):

enter into an agreement for the purchase of a Replacement Property; or

waive or remove any inspection contingency for a Replacement Property; or

waive or remove any appraisal contingency for a Replacement Property; or

close a purchase of a Replacement Property; or

(other) _____.

Seller will use Seller’s best efforts to remove the Sale Contingency. Upon removal of the Sale Contingency, Seller will promptly deliver written notice to Buyer.

Section 2. Expiration of Sale Contingency Period

The seller must deliver a written notice to the buyer prior to 5:00 p.m. on the last day of the contingency period, or the contingency is deemed waived.

2. → **Expiration of Sale Contingency Period.** If Seller does not deliver written notice of termination before 5:00 pm on the last day of the Sale Contingency Period, then the Sale Contingency will be deemed waived.

Section 3. Earnest Money

If the seller terminates based on this contingency, the buyer is entitled to an earnest money refund.

3. → **Earnest Money.** If Seller terminates this Sale Agreement due to the Sale Contingency, all earnest money will be promptly returned to Buyer.

Section 4. Timelines

The parties define how time frames in the sale agreement will be handled: they are either on hold until the Sale Contingency is waived or removed by the Seller, or they begin when the sale agreement is signed and accepted. If time frames begin when the offer is signed and accepted, and if the seller terminates the transaction based on the Sale Contingency, the seller agrees to reimburse the buyer for reasonable costs associated with inspections and financing.

4. **Timelines.** All timelines in this Sale Agreement, including the deadlines for earnest money payment, removal of contingencies, closing, and rights of revocation, termination or cancellation provided under state or Federal law, if applicable, will begin on the first business day after (select one):

the Sale Contingency is waived by Seller or Seller has delivered to Buyer written notice of removal of the Sale Contingency.

the date Buyer and Seller signed and accepted this Sale Agreement, and Buyer will proceed with inspections, appraisal, and other lender requirements prior to the removal of the Sale Contingency. If Seller terminates this Sale Agreement due to the Sale Contingency, Buyer will deliver to Seller reasonably satisfactory evidence of payment, if any, of Buyer’s inspection, appraisal, and mortgage interest rate lock fees incurred, and Seller will promptly reimburse Buyer for those payments.

Section 5. Buyer’s Right to Terminate

Until the seller has waived or removed the Sale Contingency, the buyer has the right to terminate the transaction with written notice to the Seller.

5. **Buyer’s Right to Terminate.** Buyer may terminate this Sale Agreement by giving written notice to Seller any time before the Sale Contingency is removed.

OREF 100 – Unrepresented Party Acknowledgement

When either the buyer or the seller has elected not to be represented by a licensed broker in a transaction, the broker involved in the transaction should take precautions not to create an implied agency relationship with the unrepresented party. This form is intended to reduce that risk by making clear that the broker does not represent the unrepresented party and stating what the broker's duties are.

Acknowledgement

The undersigned ("Unrepresented Parties," whether one or more) are parties or may become parties to an agreement for the purchase and sale of the Property.

The Unrepresented Parties acknowledge the following:

- **Representation.** Agent represents only the buyer seller in the purchase and sale of the Property.
- **Non-representation.** Agent does NOT represent the Unrepresented Parties. Although Agent will communicate with the Unrepresented Parties, will create documents that the Unrepresented Parties may sign, and will conduct other activities to accomplish the purchase and sale of the Property, all such activities will be performed on behalf of Agent's own clients, not on behalf of the Unrepresented Parties.
- **Compensation.** The payment of compensation or the obligation to pay compensation to Agent is not necessarily determinative of a particular agency relationship between Agent and the Unrepresented Parties. Agent's brokerage has no duty to pay compensation to any person or entity other than Agent.
- **Agent's Duties.** Agent will comply with the duties Agent has to the Unrepresented Parties under Oregon law, which are: (i) dealing honestly and in good faith, (ii) presenting all written offers, written notices and other written communications to and from the parties in a timely manner without regard to whether the Property is subject to a contract for sale or a party is already a party to a contract to purchase; and (iii) disclosing material facts known by Agent and not apparent or readily ascertainable to a party. Agent has no other duties to the Unrepresented Parties.
- **Confidentiality.** Because Agent has a duty to disclose material information to Agent's own clients, the Unrepresented Parties should NOT disclose any confidential information to Agent.
- **Due Diligence.** None of Agent's obligations relieve the Unrepresented Parties from the responsibility to protect their own interests. Therefore, Agent recommends that the Unrepresented Parties engage professionals for all real estate, legal, tax, inspection, insurance and other advice they require in the purchase and sale of the Property.
- **Agency Pamphlet.** Unrepresented Parties have received the Initial Agency Disclosure Pamphlet.

Section 2 - Content Updates

*Do you have a form question or suggestion? Email: customerservice@orefonline.com
Preview all form changes and redline versions at www.orefonline.com/form-updates*

OREF 001 – Residential Sale Agreement

FHA and VA

As many agents know, the U.S. Department of Veterans Affairs (VA) and the Federal Housing Administration (FHA) require* that whenever a VA or FHA loan will provide financing for a home purchase, the sale agreement must contain a provision stating that the borrower has the option to terminate the sale agreement and receive a prompt refund of all earnest money paid if the appraised value of the property is less than the purchase price. While most lenders once provided this "Amendatory Clause," subscribers have recently notified OREF that lenders occasionally (and more frequently) are calling on agents to provide it.

In considering whether to create an OREF Amendatory Clause form, the Forms Committee determined that although the Amendatory Clause is only required by the lender, there are advantages to having an OREF form: the form is essential if the borrower is depending on VA or FHA financing, agents are able to avoid delays by filling out the form in advance, and using an OREF form clarifies that the Amendatory Clause is part of the Sale Agreement, not a loan document.

To remind subscribers of the need to use the Amendatory Clause form if FHA or VA financing is involved, a reference to the form is being added to Section 4.B. (Financing) of the Sale Agreement.

*The VA requirement is in the [Code of Federal Regulations](#), and the FHA requirement is in the [Lender's Guide to the Single Family Mortgage Insurance Process](#).

Page 2 Section 3(B) - Coincides with the release of OREF 097 FHA / Federal VA Amendatory Clause

B. **Balance of Purchase Price to be financed through one of the following Loan Programs (Select only one):**

Conventional; FHA; Federal VA (Seller Shall Shall not agree to pay Buyer's non-allowable VA fees);
If FHA or Federal VA is selected, OREF 097 FHA / Federal VA Amendatory Clause is attached.

Other (Describe): _____.

Seller's Property Disclosure Statement

OREF's Forms Committee received various comments in the first months of 2021 about problems with the Seller's Property Disclosure Statement (Oregon Revised Statutes 105.465) and related statutes. The comments concerned discrepancies between the form and other statutes, questions that these statutes don't answer, and various approaches used by real estate agents to deal with these issues.

The Forms Committee met with real estate agents and lawyers from around Oregon to gather valuable input on how OREF could help bring predictability to the disclosure process. The Committee worked to find a solution that would be consistent with both the apparent intent of the legislation and other applicable law. Most importantly, the Committee decided to make changes to the Sale Agreement instead of the Seller's Property Disclosure Statement, consistent with Oregon case law that allows contract parties to modify their statutory rights as long as the modification does not violate public policy.

The result, which appears in Section 13 of OREF 001 - Residential Real Estate Sale Agreement, protects buyers and sellers by providing that the buyer's 5-day right of revocation period does not commence until two things have happened: 1) the buyer and seller have signed and accepted the Sale Agreement, and 2) the seller has delivered the complete Seller's Property Disclosure Statement to the buyer. Section 32 of the Sale Agreement, which is the "Definitions" section, particularly subsections 3, 5, 8 and 10 of Section 32, answers many questions that may arise in interpreting the revised provision.

This requirement does not slow the transaction because the title and inspection contingencies are already incorporated in most transactions. Additionally, it does not prevent the seller from delivering the Seller's Property Disclosure Statement early if the seller chooses to do so (although early delivery would have no legal effect).

Page 5 Section 13 - See additional frequently asked questions below

13. SELLER'S PROPERTY DISCLOSURE STATEMENT: Under Oregon law, Buyer has a right to revoke Buyer's offer (the "Revocation Right") unless this transaction is exempt or Buyer has waived the Revocation Right. Buyer may exercise the Revocation Right only in writing and only within five (5) business days after this Sale Agreement has been signed and accepted by both Buyer and Seller AND Seller has delivered to Buyer or Buyer's agent a complete Seller's Property Disclosure Statement. However, Buyer may exercise the Revocation Right any time before receiving the Seller's Property Disclosure Statement, so long as Buyer does so before Closing. This provision supersedes any contrary terms in the Seller's Property Disclosure Statement.

Frequently Asked Questions

What does "complete" mean in the OREF Sale Agreement?

The verb "complete" is used in ORS 105.465(2) to describe what the seller must do with the SPDS. There is no statutory definition of "complete," but the statutes and case law provide some help:

- ORS 105.464 states "Please complete the following form. Do not leave any spaces blank. Please refer to line number(s) of the question(s) when you provide your explanation(s). If you are not claiming an exclusion or refusing to provide the form under ORS 105.475(4), you should date and sign each page of this disclosure statement and each attachment."
- It also states: "Disclosures contained in this form are provided by the seller on the basis of Seller's **actual knowledge** of the Property at the time of disclosure."
- Case law indicates that all parties to contracts in Oregon have an obligation to act in good faith and fair dealing, in a manner that effectuates the parties' objectively reasonable expectations.

So if the SPDS is consistent with those requirements, the seller has "completed" it.

When does the five-day right of revocation start?

The wording of the SPDS statutes causes a great deal of uncertainty about this issue, leaving regulators, REALTOR® associations and brokerages to try to sort out what the statutes mean. For example, the statutes use the word "revocation," even though an offer can only be revoked after it is made. OREF has chosen to clarify the revocation timeline as a contractual agreement between buyer and seller, eliminating any uncertainty about the start date. Under the revised OREF Sale Agreement, there must be both an accepted offer **and** a complete SPDS delivered to the buyer before the right of revocation starts.

Homeowner's Association / Townhome / Planned Community

Page 6 Section 17 Edit only to reflect name

17. HOMEOWNER'S ASSOCIATION / TOWNHOME / PLANNED COMMUNITY: Is the Property a townhome, in a planned community, or have a Homeowner's Association? Yes No Unknown

If yes, OREF 024 Homeowner's Association / Townhome / Planned Community Addendum will be attached to this Sale Agreement.

Other Adjustments

- Adjusted Section 36.2 (line 472) to reflect OREF-045A's number update
- Adjusted Section 39.2 (line 495 and 496) to better reflect REALTOR® references, per NAR guidelines.

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OREF 043 – Electronic Funds Advisory

The revised Electronic Funds Advisory replaces the earlier Wire Fraud Advisory. Because electronic funding fraud is so often attempted, agents may want to present this advisory to every buyer and seller. The updated version covers the various forms of electronic funds transfers including ACH, real-time transfers, online banking, and wire transfers. The Electronic Funds Advisory warns consumers about the existence of electronic fraud and suggests ways buyers and sellers can protect their money transfers from being stolen.

ELECTRONIC FUNDS ADVISORY

Attention:

Wire fraud is more of a threat than you might imagine.

Every day, scammers pretend to be trusted advisors, and by changing an email address or phone number, they can trick people into sending their money to a fake account. Consumers have lost billions of dollars to scammers in real estate transactions.

How fraud occurs

- 1 **Here's how criminals may try to steal your money:**
- 2
 - They gain access to peoples' email to find out who is going to be sending money electronically.
- 3
 - They make fake websites and use phony contact information (email addresses and phone numbers) so that they look like those
- 4 belonging to your real estate agent, lender, title company or other people you are already know.
- 5
 - They slightly change the information you have received from someone you are doing business with.
- 6
 - They put pressure on you to do something quickly or at the last minute.

How to prevent fraud

- 7 **Do not lose your money!** Follow these simple rules:
- 8
 - When you are trying to contact someone, make sure you are using contact information that did not come from a scammer. Gather
- 9 contact information from your real estate agent, title company and lender into one place at the beginning of the transaction, and only use
- 10 that information.
- 11
 - Some companies use software that requires you to use a password every time you send them a message. While this may take a little
- 12 more time, it is safer to use them than it is to opt out.
- 13
 - Talk with your real estate agent about what to expect during the closing process. If anything different happens, reach out for help.
- 14
 - When you receive instructions about sending your money, confirm the authenticity of those instructions by talking in person with or calling
- 15 a person you know. Make sure you are not talking to the scammer! Always make sure that the information you are relying on is real.
- 16
 - If someone tells you that their procedures have changed, or that they have a new bank, or otherwise changes the information you already
- 17 received, it could be a scam. Reach out to a trusted person for help.
- 18
 - Do not use email to send financial information. The email might be sent to a scammer.
- 19
 - If you are uncomfortable with the method you are asked to use to send money, talk with the escrow company about options. Make sure
- 20 the funds are received well before closing, so that they can be verified.
- 21
 - If you think you might have been scammed, act quickly! Contact the bank or business you used to send the money immediately.

How to report fraud

- 22 To file a complaint with the FBI's Internet Crime Complaint Center (IC3):
- 23 <https://www.ic3.gov/Home/FileComplaint>
- 24 To file a complaint with the Oregon Department of Justice:
- 25 <https://justice.oregon.gov/consumercomplaints/OnlineComplaints/OnlineComplaintForm/en>

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OREF 046 – Woodstove/Fireplace Insert Addendum

Updates to the Woodstove/Fireplace Insert Addendum add clarity and consistency throughout the form, including updated websites, definitions, and statutory references.

Page 1 Section 1 – Remove and Destroy Before Closing

- The 2010 effective date has been deleted.
- The redundant statutory reference (duplicated in Section 6) has been removed.
- The seller’s responsibility to remove the woodstove has been deleted because the buyer or seller may agree to responsibility. Responsibility for removal is covered in Section 5.
- The definition of “Residential structure” has been updated to align with the current statute.

1. Remove and Destroy Before Closing. Oregon law requires the removal and destruction of uncertified solid fuel burning devices, such as woodstoves or woodburning fireplace inserts (collectively “Uncertified Devices”) prior to the closing of a sale of a “residential structure”. A “residential structure” includes: (1) any structure containing one or more dwelling units and is four stories or less above grade; (2) a condominium, rental residential unit, or other residential dwelling unit that is part of a larger structure, if the property interest in the unit is separate from the property interest in the larger structure; (3) a modular home constructed off-site; (4) A manufactured dwelling; (5) a floating home; and (6) an appurtenance to one of the above. “Residential structure” does not include a structure that contains both residential and nonresidential units.

Section 2 – Certification Label

The website URL - www.epa.gov/burnwise - has been updated.

2. Certification Label. A certified device is one bearing a certification label located on the back and issued by the DEQ or EPA, which means it has met certain particulate emission standards. If the device does not bear such a label, it is an “Uncertified Device” and must be removed from the Property and destroyed. Sellers who cannot access the back of their device may call the manufacturer or check the EPA’s certified woodstove list at www.epa.gov/burnwise.

Section 3 – Exemptions

Added cookstoves, factory-built fireplaces, and saunas, and defined antique as “pre-1940,” to match the statute.

From **3. Exemptions.** The primary exemptions from this law are pellet stoves, central wood fired furnaces, antique stoves, masonry fireplaces, and masonry heaters.

To **3. Exemptions.** The primary exemptions from this law are pellet stoves, central wood-fired furnaces, antique (pre-1940) stoves, cookstoves, masonry or factory-built fireplaces, masonry heaters and saunas.

Section 4 – Removal and Destruction: DEQ Notification

This section is updated to reflect the new DEQ process for reporting online. DEQ no longer has a paper form to complete. Reporting must be completed online or in-person at a DEQ office.

4. Removal and Destruction; DEQ Notification. An Uncertified Device must be entirely removed from the Property, including garages, outbuildings, and shops. Woodstove retailers, chimney sweeps, or others may perform the removal and destruction. Sellers or Buyers removing an Uncertified Device themselves may take it directly to a metal scrap recycler or DEQ-approved landfill. Sellers or Buyers must obtain a receipt from the contractor or business verifying that the Uncertified Device has been destroyed, and then notify DEQ either at their website www.deq.state.or.us/heatmart/SubmitHome1 or by going to a DEQ office or calling DEQ at 503-229-5868 (there is no paper form). Failure to remove or destroy an Uncertified Device at the time of closing does not invalidate the sale, however, that failure may constitute a Class A misdemeanor and result in a civil fine.

Section 5 – Responsibility

Clarified that “If Buyer initials below, that responsibility will shift from the Seller to the Buyer”

From: **5. Responsibility.** Seller is primarily responsible for removal and destruction of an Uncertified Device located on the Property unless Buyer accepts written responsibility for removal and destruction. (To accept this responsibility, Buyer must initial below.)
_____/_____. By initialing here, Buyer expressly accepts responsibility and acknowledges the Uncertified Device must be both removed and destroyed by Buyer within 30 days following the Closing Date. Buyer to verify with lender, if applicable, Buyer can accept this responsibility.

To: **5. Responsibility.** Seller is responsible for removal and destruction of an Uncertified Device located on the Property before Closing unless Buyer accepts written responsibility for removal and destruction. **If Buyer initials below, that responsibility will shift from the Seller to the Buyer.**
_____/_____. By initialing here, Buyer expressly accepts responsibility and acknowledges the Uncertified Device must be both removed and destroyed by Buyer within 30 calendar days following the Closing Date. Before initialing, Buyer will ask Buyer’s lender whether Buyer can accept this responsibility.

For More Information

Section 6 – For More Information

A reference to the Oregon Administrative Rules has been added, which provide more detail than the statutes.

6. For More Information, contact DEQ – Heat Smart Program, 811 SW Sixth Ave, Portland, OR 97204, review ORS 468A.460 - 468A.515, 468A.990, review OAR 340-262, or go to: www.oregon.gov/deq or www.deq.state.or.us.

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OREF 054 – Agreement to Occupy After Closing

OREF subscribers raised concern and posed questions regarding the insurance requirements in OREF's Agreement to Occupy After Closing. After discussing those comments with a number of real estate agents and insurance brokers, OREF's Forms Committee decided that some of those requirements should be changed to provide appropriate and readily obtainable coverage to buyers and sellers:

Page 3 Section 13 Line 86-88

- Changed “on or before Closing” to “Before Closing”
- Because the default amount for insurance was too high for most transactions, that amount was reduced from \$1,000,000 to \$500,000.
- The blank remains, so the parties are free to agree to a different amount.
- To ensure that insurance is in place by closing, the requirement to provide proof of insurance was moved from “Closing” to “five days before Closing”.

86 **13. INSURANCE; DESTRUCTION:** ~~Before~~ Closing, Buyer shall secure a policy of casualty insurance on the Property for its full insurable value, and Seller
87 shall secure a renters insurance policy listing Buyer as an additional insured with liability coverage in an amount of \$ ~~_____~~ (\$500,000 if not filled in);
88 providing proof at least five (5) business days before closing.

OREF 080 – Smoke and Carbon Monoxide Alarm Advisory

The Smoke and Carbon Monoxide Alarm Advisory (OREF-080) provides information to buyers and sellers about smoke and carbon monoxide alarm laws and rules including types of alarms required, when they have to be provided, and where to install them.

OREF's Forms Committee revised the Smoke and Carbon Monoxide Alarm Advisory (OREF-080) to add clarity to the laws and rules on smoke and carbon monoxide alarms as well as contact information and resources for additional guidance. Note: OREF will update the web addresses in this form as they change in the future.

Summary

When buying, selling, or renting residential property in Oregon, it is important to learn the laws pertaining to smoke and carbon monoxide alarms.

Alarms are required before most existing homes and manufactured dwellings can be sold, in all newly constructed homes and in many remodels.

Alarm type, installation location, power source, maintenance, testing, and replacement are controlled by local and state laws and rules, as well as alarm manufacturers' instructions.

In rental properties, working alarms must be installed in units before they can be rented. State law describes the requirements for alarm information that landlords and tenants must provide, testing intervals, responsibility for batteries and replacement of faulty units.

Most importantly, properly functioning alarms save lives. It is illegal to tamper with a working smoke or carbon monoxide alarm.

Your agent is providing this advisory to raise awareness of the importance of alarms. Buyers and sellers need to do their due diligence to determine what the law requires and whether the requirements have been met. Real estate licensees are not experts on these matters, and alarm laws change frequently. Get the latest information from these sources:

Resources

List of resources to obtain additional information

<p>State Fire Marshal (503) 378-3473 https://www.oregon.gov/osp/programs/sfm/Pages/default.aspx</p>
<p>Multifamily NW (503) 213-1281 https://www.multifamilynw.org/oregon-sample-forms</p>
<p>Oregon Construction Contractors Board (503) 378-4621 https://www.oregon.gov/ccb/Pages/index.aspx</p>
<p>Oregon Building Code https://www.oregon.gov/bcd/codes-stand/Pages/index.aspx</p>
<p>Oregon Fire Code https://codes.iccsafe.org/content/OFC2019P1</p>
<p>Oregon Structural Specialty Code https://www.oregon.gov/bcd/codes-stand/Pages/index.aspx</p>
<p>Oregon Statutes https://www.oregonlegislature.gov/bills_laws/pages/ors.aspx</p>
<p>Oregon Administrative Rules https://sos.oregon.gov/archives/pages/oregon_administrative_rules.aspx</p>
<p>National Fire Protection Association https://www.nfpa.org/</p>

Additional Resources

Provides area to list local contacts and other resources.

Additional Resources: _____
Phone number: _____ Email: _____
Website: _____
Additional Resources: _____
Phone number: _____ Email: _____
Website: _____
Additional Resources: _____
Phone number: _____ Email: _____
Website: _____

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Section 3 - Technical and Language Updates

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OREF 035 – Seller-Carried Promissory Note Secured by Deed of Trust

Section 14 Page 3

This form uses the standard promissory note terms for the parties – “Maker” and “Holder” – except for Section 14, where the undefined terms “Seller” and “Buyer” appeared. The form has been corrected so that the same terms are used throughout the form.

98 **Section 14. Acknowledgment.** Maker and Holder hereby acknowledge: (a) They were given an opportunity
 99 to either use this Promissory Note and accompanying Deed of Trust forms provided by their respective real
 100 estate agents, or have the forms prepared by one or more attorneys of their choice; (b) By providing these
 101 forms, neither the agents nor the forms provider, Oregon Real Estate Forms, LLC, are engaging in the
 102 practice of law; (c) They have elected to use these forms and have had a reasonable opportunity to have
 103 them reviewed by attorneys of their choice; (d) Their respective real estate agents have not rendered any
 104 advice or recommendations regarding the specific financial or credit terms of this transaction; (e) They
 105 are satisfied with, and understand, the terms contained in these forms; and (f) This Promissory Note and
 106 accompanying Deed of Trust shall not be construed more strictly against any one party. Your Maker's and
 107 Holder's Agents are not licensed to practice law in Oregon. Accordingly, they may not complete this legal
 108 form, and may not advise on its legal effect. Maker and Holder should secure their own separate legal
 109 counsel when filling out this form.

OREF 040 – Disclosed Limited Agency Agreement for Sellers OREF 041 – Disclosed Limited Agency Agreement for Buyers

Sections 1 and 2 Page 1

The changes conform to the requirement to receive written permission of all clients for Disclosed Limited Agency (sometimes known as Dual Agency). The changes more clearly define the role of the Managing Principal Broker as the Disclosed Limited Agent if a broker in the firm represents the Seller and another broker in the same firm represents the Buyer.

- The forms now incorporate client initials to acknowledge receiving and reading the Oregon Real Estate Agency Disclosure Pamphlet
- The form requires clients to indicate whether their agent may or may not represent others in a transaction.

14 1. Seller(s) acknowledge they have received the Oregon Real Estate Agency's Initial Agency Disclosure Pamphlet required by ORS 696.820 and
 15 have read and discussed with the Seller's Agent the part of the pamphlet entitled "Duties and Responsibilities of an Agent who Represents
 16 More than One Client in a Transaction." The Initial Agency Disclosure Pamphlet is hereby incorporated into this Disclosed Limited Agency
 17 Agreement by reference.

18 (Seller Initials) _____ (Seller Initials) _____

19 2. Seller(s), having discussed with the Seller's Agent the duties and responsibilities of an agent who represents more than one party to a
 20 transaction, consent and agree as follows:

21 (A) The Seller's Agent in addition to representing Seller, (select one) _____ may _____ may not represent one or more buyers in a
 22 transaction involving the listed property; _____

23 (B) In a transaction involving the listed property where the buyer is represented by an agent who works in the same Real Estate Firm as
 24 the Seller's Agent and who is supervised by the Seller's Agent's Principal Broker, the Seller's Agent's Principal Broker may represent
 25 both Seller and Buyer. In such a situation, the Seller's Agent will continue to represent only the Seller and the other agent will represent
 26 only the Buyer, consistent with the applicable duties and responsibilities as set out in the Initial Agency Disclosure Pamphlet; and

27 (C) In all other cases, the Seller's Agent and the Seller's Agent's Principal Broker shall represent Seller exclusively.

28 Seller Signature _____ Date _____ a.m. _____ p.m. ←

29 Seller Signature _____ Date _____ a.m. _____ p.m. ←

30 Seller's Agent Signature _____ Date _____ a.m. _____ p.m. ←

**Do you have a form question or suggestion? Email: customerservice@orefonline.com
 Preview all form changes and redline versions at www.orefonline.com/form-updates**

OREF 045A – Historic Property Addendum

Lines 1 and 2 Page 1

A new sentence makes clear the purpose of the addendum.

HISTORIC PROPERTY ADDENDUM	
1	<u>Use this Addendum if the Property is or may be subject to a Historic Property local ordinance or is subject to or may qualify for the Historic Property</u>
2	<u>Special Property Tax Assessment under ORS 358.475 to 358.565</u> Upon acceptance by Buyer and Seller, this addendum shall be a part of the Real Estate
3	Sale Agreement (from now on referred to as the "Sale Agreement")
4	Seller _____ Seller _____
5	Buyer _____ Buyer _____
6	Property _____

OREF 053 – Agreement to Occupy Before Closing

Section 1 Page 1

Added a requirement to deliver keys, consistent with the Agreement to Occupy After Closing Addendum

6	1. OCCUPANCY: Seller grants to Buyer the right to occupy the Premises for residential use <u>and shall deliver one full set of keys at the beginning of the term</u>
7	<u>described in Section 2</u> Seller retains use of the following portion(s) of the Premises:
8	_____
9	

OREF061 - Buyer Advisory Regarding the Purchase of Bank-Owned Property

Page 1 Section 4

Deleted "However, the best protection you can have is to obtain a standard owner's policy of title insurance, insuring title to the property you purchase is marketable."

Replaced with "A prudent choice is to obtain an owner's policy of title insurance."

4.	Are There Any Issues Regarding Title When Acquiring REO Property? Recently, there have been some court rulings placing into question the quality of the banks' title when they recover property through the non-judicial foreclosure process (i.e. by trustee advertisement and sale). Although there is some risk of a bank selling REO property with a flawed title, it is statistically remote. <u>A prudent choice is to obtain an owner's policy of title insurance.</u> At the time of closing, most banks pay for the issuance of an owner's policy of title insurance to their buyers. Additionally, banks do not normally convey title to REO property using a General Warranty Deed, which is common in traditional non-bank residential sales. This means beyond the title insurance policy, recourse directly against a bank for selling you REO property with a defective title may be limited. If you are concerned about any of these matters, you should consult an attorney familiar with these issues <i>before</i>
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OREF083 – Buyers Contingent Right to Purchase

Section 2 – Page 1

Many changes are being made to incorporate “plain English” into forms. Here, “first occurs” is changed to “occurs first.”

2. **Status of Listing of Buyer’s Property. (Select one):**

Buyer’s Property is currently listed for sale (“Listing”) with a licensed real estate agent and member of the Association or Board where Buyer’s Property is located;

Buyer’s Property will be listed for sale (“Listing”) with a licensed real estate agent and member of the Association or Board where Buyer’s Property is located, within ____ business days (three [3] if not filled in) after Seller has signed and accepted the Sale Agreement.

Buyer agrees to keep Buyer’s Property continuously listed until this Transaction is closed, or terminated, whichever occurs first. Buyer will promptly provide Seller, upon request, with all current nonconfidential information regarding the status of the Listing.

Section 4 Page 1

Removed lines 7 and 8 because they were redundant (language duplicated on lines 35 and 36)

“However Buyer may not accept a written offer that is contingent upon the occurrence of another sale/closing without Seller’s advance written consent”.

6. **Buyer’s Acceptance of Written Offer; No Written Offer; Contingency Deadline.** Using the Buyer’s Notice to Seller form (OREF #83A) (“Notice”), Buyer shall notify Seller before the Contingency Deadline defined herein: **(a)** If Buyer has accepted a written offer on Buyer’s Property (hereinafter “Alternative One”), or **(b)** Has not yet accepted a written offer, but wishes to waive certain contingencies in the Transaction (hereinafter “Alternative Two”), as more fully described in said Notice. Upon Seller’s receipt of the Buyer’s Notice to Seller (OREF #83A) electing either Alternative One or Alternative Two, this Transaction shall thereafter show as “Pending” (or words to that effect) on the applicable multiple listing service. Provided, however, Buyer’s failure to deliver said Notice to Seller by 5:00 p.m. on _____ (“Contingency Deadline”) shall result in the automatic termination of this Transaction, and, subject to Section 11, below, Buyer’s earnest money deposit shall thereupon be promptly refunded