

Summary of June 30, 2008 Changes to the TREC Standard Contract Forms

TREC No. 9-7, Unimproved Property Contract

The changes are the same as those listed for TREC No. 20-8 except:

- Paragraph 2 is reformatted but not amended
- The changes referenced in Paragraph 7D in TREC No. 20-8 are made to Paragraph 7B
- A new checkbox is not added to Paragraph 22 regarding the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code

TREC No. 20-8, One to Four Family Residential Contract (Resale)

- Paragraph 1
 - Reformatted to extend the blank lines before Buyer and Seller
 - Rewritten to define the parties to the contract
- Paragraph 2
 - 2A is reformatted
 - Text is added to Paragraph 2D to clarify that improvements and accessories retained by seller must be removed prior to delivery of possession
- Paragraph 5 - “both” is replaced by “all”
- Paragraph 6
 - Paragraph 6C
 - “any lender” and “Buyer’s lender” are changed to “Buyer’s lender(s)”
 - The last sentence is bolded
 - Paragraph 6D - the sentence that addresses the time for buyer to object is rewritten for clarity
 - Paragraph 6E(2)
 - “Mandatory owners’ association” is changed to “mandatory membership” in a “property owners’ association”
 - Amended to indicate that the residential community in which the Property is located is identified in Paragraph 2
 - The last sentence is bolded
- Paragraph 7D - amended to provide checkboxes to choose whether buyer accepts property in its present condition or in its present condition with specific repairs
- Paragraph 9
 - Subparagraphs C and D are moved to Paragraph 19
 - New clause, (4), is added to subparagraph B regarding seller’s representations
 - The text for the new clause is moved from Paragraph 19
- Paragraph 12A(1)(b) - the reference to the Veterans Housing Assistance Program is changed to a reference to the Texas Veterans Land Board
- Paragraph 17 - amended to substitute “Buyer, Seller, Listing Broker, Other Broker or escrow agent who prevails” for “The prevailing party”

- Paragraph 18D - amended to clarify that damages for wrongfully failing or refusing to sign a release of earnest money include the sum of the earnest money, three times the earnest money, reasonable attorney's fees and all costs of suit
- Paragraph 19 - revised to add text that was deleted from subparagraphs 9(C) and (D)
- Paragraph 22
 - Revised to add a checkbox for the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code
 - Revise the title of "Addendum for Property Subject to Mandatory Membership in a Property Owners' Association."
 - The Seller's Temporary Lease is added to the list of addenda
- Paragraph 23 - amended to clarify that if the buyer fails to pay the Option Fee to seller within the time prescribed, the option paragraph will not be a part of the contract

TREC No. 23-8, New Home Contract (Incomplete Construction) and TREC No. 24-8, New Home Contract (Completed Construction)

The changes are the same as those listed for TREC No. 20-8 except:

- Paragraph 2 is reformatted but not amended
- Paragraph 7D is not amended
- The checkbox added to Paragraph 22 regarding the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code is pre-checked and a parenthetical is included to explain that the addendum must be attached and Paragraphs B and C must be completed

TREC No. 25-6, Farm and Ranch Contract

The changes are the same as those listed for TREC No. 20-8 except:

- Paragraph 2E is amended rather than Paragraph 2D
- Paragraph 6
 - Paragraph 6D is not amended
 - Paragraph 6E is not amended

TREC No. 30-7, Residential Condominium Contract (Resale)

The changes are the same as those listed for TREC No. 20-8 except:

- Paragraph 2A is not reformatted
 - Text is added to 2A(4) instead of 2D regarding improvements and accessories
- Paragraph 6
 - Paragraph 6C is amended rather than 6D regarding the time for buyer to object
 - Paragraph 6E2 is not amended
- Paragraph 22
 - Revised to add a checkbox for the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code
 - The Seller's Temporary Lease is added to the list of addenda

TREC No. 32-2, Condominium Resale Certificate

- Paragraph N and the signature block are changed to conform to TREC No. 37-3

- “E-mail _____” is added to the signature block
- Buyer and Seller initials are removed at the bottom of the first page
- The buyer signature line is removed
- “Date _____” is moved above the line before “Mailing Address_____”

TREC No. 36-4, Addendum for Property Subject to Mandatory Membership in a Property Owners’ Association

- The title of the form is changed to conform to §5.012, Texas Property Code
- The term “mandatory” is added before “membership”
- The term “property” is substituted for “mandatory” to describe a “Property Owners’ Association”
- The term “owners” is deleted from Paragraph B and the last paragraph

TREC No. 37-3, Subdivision Information, Including Resale Certificate for Property Subject to Mandatory Membership in a Property Owners’ Association

- The title of the form is changed to conform to §5.012, Texas Property Code
- The parenthetical below the title is amended to read “Chapter 207, Texas Property Code”
- “Property owner’s association” is defined as “Association” in the first paragraph and conforming changes are made in the rest of the form
- Buyer and Seller initials are removed at the bottom of the first page
- Another line is added near the end of the form for the name of the person signing the form
- The term “Print” is added before “Name” on page 2

TREC No. 38-2, Notice of Buyer’s Termination of Contract

The termination notice is modified to serve as an all purpose Buyer’s notice of termination to be used to notify the Seller that:

- The contract is terminated under Paragraph 23
- Buyer cannot obtain Financing Approval
- The Property does not satisfy the lenders’ underwriting requirements for the loan
- Buyer elects to termination under Paragraph A of the Addendum for Property Subject to Mandatory Membership in a Property Owners’ Association
- Buyer elects to terminate under Paragraph 7B(2) of the contract
- Buyer is terminating pursuant to a specific paragraph in the contract or addendum to be identified in the form