



---

## RPA Class QUESTIONS AND ANSWERS

*My sincere thanks to each of you that shared such kind words about the presentation. They are truly appreciated!! ~ Nikki Coppa*

### Q&A from RPA Classes

**Q:** I see a lot of issues coming with D (1). Agents are going to say the % amount is what the deposit is (i.e., the counter offer price goes up from the offer price-listing agents are going to expect the deposit to increase by the % amount entered on the line. This is very confusing. If the deposit amount is to remain static, there should not be a % option.

**A:** The form states: % number above is for calculation purposes and is not a contractual term. So, although I agree that agent that have not trained on the new contract will make mistakes if they do not read it, the clarification leaves no ambiguity.

**Q:** If the sellers are still in the property after COE, how to hold the sellers responsible if there are damages caused by the sellers when they move out.

**A:** The SIP or RLAS are to be used if the seller stays beyond close of escrow. Both forms state that the home is to be in substantially the same condition as when the offer was written. This is similar to the language used in the actual Residential Purchase Agreement, so the seller's contractual obligation is the same whether they leave at COE or not. If the home is not left in the proper condition, the buyer can pursue damages through proper channels.

**Q:** Our docusign doesn't have a TIME stamp. Does that effect acceptance? Just day, o.k.?

**A:** Yes, that is fine in most circumstances because delivery and acceptance are not based on the time the client signed, they are based on when their authorized agent sent it to the other side.

**Q:** If the inspection contingency has been released, but the subsequent appraisal report calls for repairs, can the buyer cancel the contract based on the appraisal contingency, or if no appraisal contingency, the loan contingency?



---

**A:** If the appraisal conditions for repairs and the buyer has an appraisal contingency that has not been removed, that does fall under the appraisal contingency because the appraiser has issued value based on the condition that the repairs be made. Loan contingency cannot be used to cancel the agreement when the issue is with the appraisal. Loan contingency is if the borrower cannot get the loan specified due to qualification, not other terms.

**Q:** Is there a way to prove that the List Agent actually did receive multiple offers? Or we just trust their word?

**A:** If an SMCO is issued and there are not multiple offers, that could easily be deemed fraud so we trust that no licensee would want to break the law.

**Q:** How do you prove that buyer can't get loan when they are using it as excuse for low appraisal?

**A:** If the buyer cannot get the loan, the loan officer that issued the approval documents can put that in writing for the seller and your file. A loan officer is not going to put that in writing most likely if it is a misrepresentation.

**Q:** Section I-K: If Buyers do not switch the assignment into their Trust by 17, then the Sellers can refuse it? Would be great for all the disclosures etc. that need to be re-signed. When does entity have to be in existence -at time of Acceptance? Or day 17?

**A:** This is detailed in Residential Purchase Agreement paragraph 23. Entity must be in existence at the time of assignment. And yes, in accordance with the contractual language, all requests for assignment must be done prior to day 17 or the seller could refuse.

**Q:** Section L: If it is written into the offer that all investigations Contingencies are removed, it sounds like you STILL need a CR form? Even if written into the contract?

**A:** Yes. All contingencies must be removed in writing using form CR except for the loan and appraisal contingencies. Those are the only 2 contingencies that can be removed in the Residential Purchase Agreement without the requirement of the CR.



---

**Q:** Section 10(4) If Seller says “Buyer, you are responsible, you have a year to do it and be compliant with the home.” IF Buyer says NO (i.e., I don’t know how much it will cost, etc.) Please confirm: Seller can cancel?

**A:** After the new Residential Purchase Agreement releases, short answer is yes. The seller would have to give the buyer a NBP first as outlined in paragraph 11G (2) of the Residential Purchase Agreement.

**Q:** Section 19-22: The Listing Agent can remove video/pictures from the MLS after acceptance, BEFORE closing? Just not after close?

**A:** Listing agent and broker cannot access listings after they are closed in the MLS system. Prior to closing, supplemental items may be removed. Agent still needs to meet the minimum MLS requirements for pictures and such, but drone videos and video walk-throughs are additional marketing that can be removed prior to closing. Will that remove it from all sites? No. Once something is on the Internet it is difficult/impossible to ever really fully erase it.

**Q:** For 3 E (3), does the buyer have to disclose if they’re not planning on using the property as primary residence?

**A:** Yes. That portion must be completed. Primary is the default, if not primary, either secondary or investment need to be checked.

**Q:** If the buyer is still within contingency period, but inspection has not been scheduled and buyer was DU approved, can the buyer still back out and get their full EMD back?

**A:** If the contingency has not been removed and the buyer has a good faith reason to cancel based on that contingency, the contract says they can cancel. As I mentioned in the class, only a judge or arbitrator is qualified to determine if something was being done “in good faith.”

**Q:** Acceptance: To confirm, when ALL parties are aware they have a deal? For example, Seller sends counter offer, Buyer sends it back in agreement. So, acceptance will be when the Seller received that SCO?

**A:** Close. Acceptance is when that buyer’s agent sends the signed copy back to the text or email address on listed on page 16 of the Residential Purchase Agreement for the listing agent.



**Q:** Not sure I have a mic, so here is my question. J 16 Final inspection. I feel like it should say “within 5 days” as 5 days mandates doing it on that day. Thoughts?

**A:** For a contract to be valid, there must be agreement on material terms. CAR did a great job of having default agreement throughout the contract that would be contractual unless it is changed by the principals. This is a change from our current contract, so we will need to adjust.

**Q:** In your opinion, what is the lowest acceptable amount of days we can counter (rep seller) 3K assignment request?

**A:** The thing we need to remember is that if this is the best offer for our seller, the name of the buyer may be important to us in the process, but not to the principals in the end. I would say it is reasonable that this timeline could coincide with the investigation contingency removal timeline. If that is shortened, it would be reasonable that this could reflect the same timeline.

**Q:** When can we start using these new docs? and when are they available for us to view?

**A:** CAR has stated the Residential Purchase Agreement and 91 additional revised forms will release at the beginning of December. They will replace the current versions of the forms now in the zipForms library. When they release, that is when they can be used.

**Q:** What does TOPA stand for again?

**A:** Tenant Occupied Property Addendum – it will be replacing the TIP (Tenant in Possession) form.

**Q:** If we don't have to use RCSD anymore, is the buyer on page 1 the name of the trust or the signers?

**A:** If the trust is buying, the name on page one is the trust.

**Q:** Please explain the appraisal again. You said if I offer \$450k and willing to pay \$10k over offer price I would put \$450k in the line on (L)2. Why lower? Should it not be \$460k?



---

**A:** The concept of the added language is to reflect what the buyer is willing to pay above appraised value. If the appraisal came in at \$460K, there would be no appraisal issue on a \$450K sale price. If the appraisal came in at \$440K on a \$450K sale price, the buyer is obligated to make up that difference of \$10K. That is the intent.

**Q:** What if a cash buyer decides that they want to do financing after contract acceptance? As well, can a buyer significantly change down payment and still be compliance with the contract?

**A:** That is acceptable for a cash buyer to change to a loan. And yes, terms can change. That being said, the timeframes in the contract still apply. If it was a 10-day close, and they decide to get a loan, buyer still has to close in the 10-day timeframe. Remember that seller does not have to cooperate with the new financing terms- but they cannot interfere either.

**Q:** Regarding the AVID coming in late and getting an extra 5 days...what if the inspection contingency has already been released? Does the Buyer get 5 new days?

**A:** Yes, under the CA Civil Code statute regarding statutory disclosures.

**Q:** Is the fully underwritten approval = DU approval?

**A:** I would say to confirm that with the loan officer, but yes, that is the intent as I understand it.

**Q:** If they don't do it by day 17, Seller can say NO?

**A:** Assuming this is assignment – yes, in accordance with the contract, if it is going to be done, it needs to be done within those 17 days.

**Q:** What are private transfer fees?

**A:** Fees that are assessed when title transfers from one party to another.

**Q:** Item Q.18 Home Warranty, if the buyer choses how does that affect the seller's choice of Seller Coverage during the listing?



---

**A:** That is a good question! That is one you should run by your HW representatives to better be prepared in December.

**Q:** 5-day right of rescission even if non-contingent?

**A:** In the state of CA, unless all statutory disclosures are provided to a buyer prior to writing the offer, the buyer has a 5-day right of rescission by CA Civil Code after receiving all completed statutory disclosures. This cannot be waived by removing our contractual contingencies.

**Q:** Is RCSD still going to exist and be needed for the Residential Listing Agreement?

**A:** Yes. In case it is needed later in the transaction, it will still be in the library.

**Q:** In section P (1), for items NOT checked, but the seller doesn't want to remove them at COE, do they need to be countered as those items to be INCLUDED in the sale? For instance, if the seller doesn't want to remove the above-ground pool but the buyer doesn't want it either.

**A:** Someone has to remove it, so yes, it can be negotiated in the "included" or "excluded" portions of the Residential Purchase Agreement.

**Q:** In section 9C: if it's a vacant home and staged with frames and artwork on the wall, does the seller have to patch/repair the holes still?

**A:** Contractually, yes, by default. If that is an issue, counter it out!

**Q:** On the 5-day walk-thru if seller is still in the property and buyer goes through all is good then seller moves out and not all is good. Now what?

**A:** The contract states that the seller is contractually obligated to leave the premises in substantially the same condition as when the offer was written. If the seller does not do so, they are in breach of contract and the buyer has the right to pursue remedy.

**Q:** Are you going to have another class going through all of the other changes on the 91 forms?



---

**A:** I plan to – but I am not sure when CAR will get the redline versions to me so I can prepare a presentation. They are not doing their own webinar on these additional forms until (I think) the 16<sup>th</sup> or December, so I am flying blind until I can get those resources. I will do one for PSAR though if they would like me to!

**Q:** In section 5(3): if the seller doesn't sign the release of the buyer's EMD after the buyer sends in the cancellation, can the seller go into escrow with a new buyer while this is being disputed?

**A:** There is nothing that precludes a seller from doing so, however, there are always risks involved. CAR has a great letter in their CAR Sample Letters library that addresses the legal risks a seller should consider before entertaining or accepting a subsequent offer.

**Q:** Where I can find DIA?

**A:** This is a form in the zipForms library, search for "Disclosure Information Advisory."

**Q:** When can we start using these new docs? and when are they available for us to view?

**A:** The Residential Purchase Agreement draft I used for the presentation is available on the CAR website right now, but the "redline versions" of the 91 additional forms have not yet been posted on the website. Go to [car.org](http://car.org) and go to "Standard Forms" – I think it is easier to scroll to the footer of the website and click on it down there.

**Q:** Who can we contact for suggestions on RPA before it's finalized?

**A:** It has been finalized from what I have been told. That being said, anytime you have comments or suggestions on ANY CAR forms, you can email those comments and suggestions to the Standard Forms Advisory Committee to review at [carforms@car.org](mailto:carforms@car.org).

**Q:** What is the official date that we can start using this new RPA?

**A:** When it releases and is available in zipForms. It is scheduled for the first week of December.

**Q:** The old RPA (current) spells out the purchase price. Will the new one spell it out?



[PSAR.org](http://PSAR.org)

880 Canarios Ct. Chula Vista, CA 91910 - 619-421-7811  
1150 Broadway, El Cajon, CA 92021 - 619-579-0333  
4340 Genesee Ave #203, San Diego CA 92117 - 858-286-6080

---

**A:** Not that I am aware of. Numbers only from what we have been told.

**Q:** So even with non-contingent we still have 5 days to rescind?

**A:** Yes, unless all statutory disclosures are provided to the buyer PRIOR to the offer being written.

**Q:** How do you handle contract that's all cash, and buyer wants to end up financing?

**A:** By contract, this is allowed. Buyer is still held to all time frames in the contract. Seller does not have to cooperate with the new financing, but they also cannot interfere.





---

**Q:** Does the system auto-populate if you type in percentages?

**A:** If you type in a percentage (like for the initial deposit) the system does the math for you and fills in the blank line after the dollar sign with the hard number. Remember, it is the hard number that is the contractual term, even if sale price changes during the counter offer stages.

**Q:** Some listing agents want the buyer to sign the seller disclosures upon sending an offer. Is that allowable on this new RPA?

**A:** Yes, the buyers can be presented with disclosures prior to writing and sending the offer. If that is done, and the buyer wants to remove contingencies other than the loan and/or appraisal contingencies, check the box for the CR and the form (Contingency Removal) will populate and buyer can sign to remove additional contingencies if they wish. As an aside, that is always against the advice of brokers.

**Q:** M3. Is there NO MORE plus 3 days?

**A:** The buyer & seller can negotiate a seller holdover of 3 days if they wish – but they will need to do the appropriate paperwork. The form that allows for the seller to stay another 3 days after closing would be form SIP (Seller in Possession).

**Q:** If the brackets and wall mounts go, where is the box that states they are to be filled and painted or not painted?

**A:** The box that is in our current Residential Purchase Agreement is not in the revised version. Instead, the brackets are addressed in paragraph 9c. The default is that they will be removed and the holes will be patched.

**Q:** In Section Q2, do we need to put the name of the NHD company? No drop-down menu.

**A:** We do that in Q1, go all the way to the right under the “Additional Terms” heading and you will see “Provided by” – that is where you specify the report provider.

**Q:** What do you mean by avoid writing your own language? Is that the purpose of "other terms?" Please explain.



---

**A:** CAR Legal has worked hard to create a contract that clearly articulates the expectations and obligations of the parties. When agents start writing in additional terms, often that language conflicts with what is in the contract. When that happens, agents and brokerages can take on additional legal liability. When writing in additional contractual obligations or terms, it is best to run that language through your broker or manager first.

**Q:** When removing inspection on your client's offer, do you also remove reviewing title, seller's disclosures, HOA rules, NHD? Would they still be contingency to the sale? And can buyer back out if reports are not to their satisfaction?

**A:** Once a contingency is removed, the buyer cannot then back out of the contract based on that contingency and get their deposit back. This is clearly articulated in paragraph 8h. Buyer should not remove a contingency without first reviewing the documentation.

**Q:** If there is a change in financing from conventional to VA FHA and they require repairs, does that then change terms for the seller?

**A:** Usually, no. Although VA and FHA appraisers may condition for certain repairs to be done, the condition does not obligate the seller to pay for or perform those repairs. They can be negotiated in the (revised) RR that will release on 12/14 as well.

**Q:** Abandoned property 3-day notice: Is there a dollar limit requiring seller to store personal property?

**A:** No, because of the default statement in the contract. It states that if it is left behind, it is deemed abandoned and the buyer must serve a NSP to remove the items, then do as they see fit if the seller does not remove them.

**Q:** If the remarks of the listing agent on the MLS stated that upon sending an offer that the buyer needs to include with the buyer signature/initial of the seller's disclosures documents. Is that valid without any buyer's property investigation yet?

**A:** I am not sure I understand the question. If disclosures are presented to a buyer prior to writing the offer, the CA law that gives a buyer a 5 day right of rescission would not apply. The right to investigate the property is separate from that, and the buyer is allowed to investigate



---

and access the property for 17 days (default timeline) after date of acceptance unless that is also countered by the seller.

**Q:** At this moment, must we use AOAA when adding a buyer?

**A:** Yes, AOAA is the form that was created for assignment and for adding or deleting buyers. It addresses two other items of concern – documents (contractual and disclosures) and whether or not any consideration is being paid from the original buyer to any assignees.

**Q:** How would one do a Multiple Counter? Do you just check the Counter Offer box and automatically sellers' choice to accept which ever offer best suites them?

**A:** If the seller receives multiple offers and plans to issue multiple counteroffers in writing, the seller will need to use the SMCO (Seller Multiple Counter Offer). The SCO (Seller Counter Offer) is only used if only one counter is being issued.

**Q:** Are we still be able to fill out the Cover Sheet? And will it auto-populate the new RPA?

**A:** I am told the answer to this is yes – but I have not seen any example of it at this point since it will not be in the system in zipForms until 12/14.

**Q:** Could items left on the property "and of no value" be added to the clause that states be deemed abandoned?

**A:** From the explanation provided by the CAR Legal instructors, that is not necessary. However, if this is a concern of yours or your broker's, please ask your broker if additional language should be used.

**Q:** My escrow officer does not sign-up Buyers and Sellers on Escrow instructions until 20 days or more in to the escrow. Should I insist it be done sooner according to the contract?

**A:** I would recommend you speak with them. Since a seller would have the right to issue a NBP if they are not signed within 5 days after receipt, this may be very dicey if it comes that late in the transaction.



---

**Q:** Where do we find the new disclosures?

**A:** All the redline versions of the new and revised forms can be found here:

<https://www.car.org/transactions/standard-forms/summary-forms-releases-chart/December-2021-Forms-Release>

**Q:** What if the Seller refuses to move out at the specified time and give possession?

**A:** There is a great letter that can be used in that instance in the CAR Sample Letters Library accessed through zipForms. The name of the letter is "Demand that Seller Vacate Letter".

**Q:** What if the sellers credit negotiated later while we are in escrow?

**A:** Paragraph 5e of the contract specifically says that the amount of credit may not exceed the amount the lender allows. It is something we (as agents) should be proactive in discussing with the lender so this does not happen.

**Q:** Is there a way for a VA buyer to truly remove their appraisal contingency before the appraisal takes place? Or does the FVAC taking priority mean that a VA buyer can always cancel escrow in the event of a low appraisal?

**A:** The VA buyer can remove their contingency in the Residential Purchase Agreement. But, as you stated, their cancellation right provided in the amendatory clause would (always) allow for the buyer to get their deposit back if the appraisal does not come in at sale price.

**Q:** Will we have the chance to write on the COE ("30 Days or Less")?

**A:** No, unless you put it on one of the blank lines in the grid. The reason for that is because the statute of frauds requires that every contract have a start and end date. 30 days or less is not a definitive date. When we write that in now, you will usually see in your escrow instructions that it has been changed to state the date associated with that 30<sup>th</sup> day.

**Q:** If a cash purchase, do we just leave e! Blank. I missed where we state it is a cash sale.

**A:** You will do that in 3a (in the grid) under the additional terms heading. Check the "All cash" box.



**Q:** On E2, if buyer is doing 80-10-10, is there where that 10 would go for the 2nd loan?

**A:** My advice would be to check the “other” box in 3e2 after writing in the items for the first “10” and then explain the second “10” in the other terms. Apparently, there are not a lot of these happening at this time throughout the state.

**Q:** Would additional finance terms be where an agent would add if they are giving a credit to the buyer toward closing costs from their commission?

**A:** Every brokerage has different policies on how, where, and when credits from commission should be addressed. Please ask your broker how he/she would like you to address any credits from your commission.

**Q:** In L (3), if we are offering non-contingent offer but still need access to do any buyer-inspection(s) which has nothing to do with non-contingent offer, buyers will have access for 17 days or however many days we state here. Am I right on this?

**A:** Correct. The default timeline is 17 days to access the property – whether or not it is related to any contingency.

**Q:** I see agents write “0” in the days after acceptance for releasing contingencies? Seems weird to me. Am I being too rigid?

**A:** No. But that is why we have the language in L3 in the “contingency removed” column that states that a CR must also be signed and presented. To clarify that the intent is true removal of any investigation contingencies the buyer intends to remove.

**Q:** What if seller does not move out after the SIP date?

**A:** There is a great letter that can be used in that instance in the CAR Sample Letters Library accessed through zipForms. The name of the letter is “Demand that Seller Vacate Letter”.

**Q:** If buyer’s agent buys home warranty for buyer, where do you put that now that “other” has been removed?



---

**A:** I understand the reason for that is because the Residential Purchase Agreement is between a buyer and a seller. Agents are not parties to the agreement, therefore, any agreements they have with their clients should not be addressed in the Residential Purchase Agreement. Your broker can tell you what he/she feels is best, but it may be something that can be declared in a buyer-broker agreement or escrow amendment if it is being paid from the commission due the broker.

**Q:** What is the consequence for a Seller if he cancels the sale after all contingencies have been removed and let the buyer without a home?

**A:** In our current contract, seller does not have cancellation rights unless the buyer defaults. This does not change in the new contract. If a seller breaches the contract, he/she could incur serious legal issues. There is a letter that is available in the CAR Sample Letters library in zipForms named "Demand Seller to Close Escrow" that details the risks involved if a seller breaches the contract.

**Q:** Can we now write the buyers very long name without being cut off? Example, corporation, trust names that could be very long. What about 3rd/4th seller's name?

**A:** Long names were something the committee said they addressed. I cannot verify that until I can actually access the new contract in zipForms. As for 3<sup>rd</sup> or 4<sup>th</sup> buyers, with our current contract, we use the ASA (Additional Signature Addendum) for them now, and we will do the same when the new contract comes out.

**Q:** Sections D.3 (1), when we put 3%, does the exact amount auto-populate?

**A:** Yes, it will do the math for us and fill in the hard number. That hard number is the contractual agreement, even if the purchase price changes.

**Q:** Thanks for all your great information. Can you advise where, on the new RPA, is there a section to write in "other fees" covered by buyer (and same for seller on the RLA), like "Administration Fee."

**A:** That is a good question – my advice would be 3Q2 or 3R. But since these fees have regulations attached to them, I would encourage you to talk to your broker first about how to write them in the new Residential Purchase Agreement.



---

**Q:** If home was built in 1978 is LPD needed?

**A:** Law requires the LPD for any property built prior to January 1, 1978.

**Q:** What if the buyer removed all the contingencies and something happened that requires the seller to issue a subsequent disclosure? Does the buyer still have five days to rescind or not since they have already removed contingencies?

**A:** Yes, in the case of a subsequent disclosure, the Transfer Disclosure Statement is amended and the buyer would have a new 5-day right of rescission, even if all contingencies have been removed in writing.

**Q:** Is agency included in the contract automatically?

**A:** The agency disclosure (form AD) is bundled with the new Residential Purchase Agreement, and declaration and confirmation are satisfied in paragraph 2 of the actual Residential Purchase Agreement.

**Q:** Is acceptance of solar lease by new buyer addressed in the new RPA?

**A:** Yes, timelines are addressed in 3L(7) in the grid and the explanation language is in paragraphs 8G and 9B(6).

**Q:** Will Residential Income Purchase Agreement also be amended?

**A:** Yes. All new and revised forms can be viewed on the CAR website here:

<https://www.car.org/transactions/standard-forms/summary-forms-releases-chart/December-2021-Forms-Release>

**Q:** If you buy the property "AS IS", do you still have 5 days after receipt of disclosures to cancel?

**A:** Yes. CA law states that a buyer has 5 days to cancel a transaction and get their deposit back after receipt of completed statutory disclosures. This is covered in paragraph 11G(1).



[PSAR.org](http://PSAR.org)

880 Canarios Ct. Chula Vista, CA 91910 - 619-421-7811  
1150 Broadway, El Cajon, CA 92021 - 619-579-0333  
4340 Genesee Ave #203, San Diego CA 92117 - 858-286-6080

---

**Q:** Does a job loss/hours cut during escrow fall under loan contingency? And what if any proof is EREQUIRED?

**A:** Generally, yes, because the buyer would no longer qualify for the loan. If a buyer is cancelling under the loan contingency, the loan officer should be able to provide you with something stating that the buyer does not qualify for the loan.