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Buyer's Purchase and Sale Agreement Language

The new RESPA regulations and forms effective the first of the year have presented issues affecting buyers of real estate. The following suggested language is intended to be inserted into the MAR purchase and sale agreement on the buyer's behalf.

Due to the compliance requirements of the new RESPA regulations and the time frames required to satisfy them the buyer's lender may not be able to provide financing in time to meet the closing date set forth on the contract. (Similar issues may also arise with the lender's satisfaction of the Truth in Lending laws.) To protect the **buyer** from the seller's claim of default in this circumstance the following language may be inserted in paragraph 26 of the contract:

"The closing date set forth in paragraph 7. TITLE AND CLOSING of this Agreement shall be automatically extended as required to allow for the Buyer's lender to comply with any Federal or State law or regulation necessary to be satisfied prior to closing."

Page three of the new settlement statement contains information that is applicable to the buyer only. The buyer may not wish the seller to have access to this information. If so, the following language may be inserted in paragraph 26 of the contract:

"Notwithstanding the terms of paragraph 25. CONFIDENTIALITY of this Agreement, the Seller and the Seller's licensee shall not be entitled to receive a copy of page 3 of the HUD-1 settlement statement."

This suggested language is provided by Consumer Title as an alternative for addressing certain issues regarding the recent changes to the RESPA regulations. It is not intended to serve as legal advice.

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