



# TREC FORMS CHANGES

- The term “**Escrow Agent**” is capitalized throughout the contract.
- **Paragraph 3** is amended to add a definition of “cash portion of the sales price.”
- A new “**required notices**” section is added to **Paragraph 6**, which provides a location where MUD, PID, or other similar notices that have been given or are attached to the contract can be listed.
- **Paragraph 7F** is revised to require that the seller:  
(i) provide the buyer with copies of documentation from the repair person that shows both the scope of work and payment for the work completed; and  
(ii) transfer, at seller’s expense, any transferable warranties at closing.
- **Paragraph 7H** is amended to replace the term “residential service company” with the terminology used by the Texas Department of Licensing and Regulation.
- **Paragraph 9B(3)** is amended to add the transfer of any warranties to correspond with the change in Paragraph 7F. **New paragraph 9B(5)** provides that private transfer fees will be the obligation of the seller, unless otherwise provided in this contract and that transfer fees assessed by a property owner’s association are governed by the *Addendum for Property Subject to Mandatory Membership in a Property Owners Association*. A similar sentence is added to the *Residential Condominium Contract*.
- **Paragraph 11** is amended to further clarify the intent of the paragraph by replacing the terms “factual statements” and “business details” with “informational items,” which is now defined, and adding that real estate brokers cannot practice law and are prohibited from adding to, deleting, or modifying the contract unless drafted by a party to the contract or a party’s attorney. Lines have also been inserted into the blank.
- **Paragraph 13** is amended to clarify what amounts will be prorated through the closing date.
- **Paragraph 18B** is amended to add that if no closing occurs, the escrow agent may require a written release of liability before releasing the earnest money.
- **Paragraph 21** is amended to add a line for a copy to the buyer’s and seller’s agent respectively.

## AMENDMENT TO CONTRACT CHANGES

- The **Amendment to Contract** is amended to add a notice to consult an attorney and to add a reference to Paragraph 7 of the contracts in Paragraph 2 of the Amendment dealing with repairs. The form is also amended to replace the parenthetical following Paragraph 9, Other Modifications, with a statement that real estate brokers and sales agents are prohibited from practicing law.

## SELLER FINANCING ADDENDUM

- A notice encouraging consultation with an attorney and a financial professional and informing parties of the complicated nature of these transactions is added to the top of the form.
- **Paragraph B** is amended to modify the time period within which the seller may terminate.
- **Paragraph D2(b)** is further amended to add a requirement that the seller provide the buyer with an annual accounting of the escrow account, use escrow deposits to pay taxes and insurance premiums in a timely manner in certain circumstances, and hold the escrow deposit in a separate account. Language is also added to specify whether the escrow account will or will not be serviced by a third-party servicer at either the buyer’s or seller’s expense.