

Winter 2022

REALTOR® Risk and Consumer Protection

Presentation given by Bill Jansen - Risk Management Issues for 2022

The New RPA and other CAR forms ~ slides from Presentation are on the Region 31 website
<https://region31realtor.org/>

He provided a handout as well (Attached)

Here are a few highlights:

*Get Homeowners insurance right away as part of your Property Investigation Contingency (a buyer cannot use the loan CR for ineligible homeowners Insurance)

*On the New RPA - Beware of the designated electronic delivery address to receive documents- Make sure it's correct.

*The Inspection Contingency has been renamed "Investigation Contingency" - which is much broader to include Insurance coverage and reports

*Contingent-Free offers ~ USE the Market Conditions Advisory before preparing the RPA to give to the buyer — AND agent should document that the client has been warned that contingent-free offers have risks. AND also document that you told the client that they are going against brokerage advice when making a Contingent-free offer.

*Two-day notice to perform...no option to change time frame of two days

*Demand to Close Escrow...no option to change time frame from three days

*Do not provide the Contingency Removal with the Request for Repairs

*SPQ has new verbiage — agents please provide Disclosure Information Advisory to sellers

Bill said if a seller has a report — GIVE IT TO THE BUYER

Still problems with actual square footage - USE the Square Footage and Lot Size Disclosure and Advisory with every transaction.

TOP FOUR FACTORS THAT LEAD TO AGENT LIABILITY:

REALTORS® DON'T READ
MAKING ASSUMPTIONS
MAKING DECISIONS FOR CLIENTS
NOT DOCUMENTING GOOD ADVICE AND/OR PROPER ACTIONS

When in doubt tell your client to seek the advice of a Qualified CA Real Estate Attorney (QCREA)

Region Reports: Common Issues in CA
Low Inventory, Fire Insurance, Homelessness issues, Wire fraud, Coastal Commission, Eviction Moratoriums

Gov Legal Update:

If you have Eviction Rules questions call the Legal Hotline

Fire Hardening Defensible Space Disclosure ~ no local ordinances for inspections at Point of Sale-only northern CA have a local inspection ordinance at Point of Sale

CAL Fire in process of changing maps to be reflected on NHD soon

In JULY ~ New Statutory Form attached to RPA - Appraisal Discrimination Notice - for principals to contact someone if an appraisal is low due to blatant discrimination.

AB1466 Passed to remove Racially Restricted Covenants for free with the Records Office
If agents are aware of racist verbiage on the deed in particular areas then we need to share the process of how to remove that verbiage with our clients (see attached SLO County Form)

(I have an email in to Gov about this)