

SELLER OBLIGATIONS CONSUMER VERSION

What is the purpose of the seller obligations paragraph in Form 2-T?

Paragraph 8 lists a number of important things that the seller agrees to do in connection with the sale of the property. The list is not exclusive; the seller has other contractual obligations not listed in paragraph 8.

- For example, the seller is obligated to convey any personal property described in paragraph 3 and to include all fixtures as a part of the sale unless excluded in paragraph 2.

Paragraph 8(n) states that if the seller fails to “materially” comply with any of the obligations listed in paragraph 8, or materially breaches the contract, it gives the buyer certain rights. For more information, see the [article on Breach of Contract](#).

Important things the seller agrees to do in connection with the sale of the property in order to “materially” comply or breach

In paragraph 8(c) what is considered “reasonable access” to the Property through Closing or possession by the buyer?



The seller must allow the buyer and the buyer’s agents or representatives the following opportunities: (i) to conduct Due Diligence, (ii) to verify the satisfactory completion of negotiated repairs/improvements, and (iii) to conduct a final walk-through.

Although the buyer has a reasonable right of access to the property through Closing, after the Due Diligence Period ends, the buyer’s right to terminate the contract as a result of the buyer’s investigation of the property is limited. See the NOTE at the end of paragraph 8(c) of Form 2-T.

Some inspection activities might be considered unreasonably invasive (removing flooring or sheet-rock walls, digging large holes, etc.) and should be conducted only with the seller’s consent.

The seller’s duty to provide reasonable access includes providing existing utilities operating at seller’s expense.

In paragraph 8(i), what are “Buyer’s expenses associated with the purchase of the Property” that the seller may pay?

Examples of such expenses listed in the Guidelines for Completing the Offer to Purchase and Contract (Form 2G) are “discount points, loan origination fees, appraisal fees, attorney’s fees, inspection fees and loan “pre-pays” (taxes, insurance, etc.)” However, the wording is broad and could well include other expenses the buyer may incur in connection with purchasing the property.

The seller is not obligated to pay buyer expenses that the buyer’s lender will not permit.

The amount inserted in the blank *includes* any FHA/VA lender and inspection costs the buyer isn’t allowed to pay.

As stated in the Note in paragraph 8(i), it is important for a buyer who intends to obtain an FHA or VA loan to include in the blank in paragraph 8(i) the amount of any costs that cannot be paid by the buyer in order to avoid a possible problem with obtaining the loan.



In paragraph 8(j), is the seller responsible for paying a “transfer fee” charged by an association management company?

If the “transfer fee” is a fee for updating the association’s records to reflect the transfer of the property from the seller to the buyer, the fee is the seller’s responsibility.

It is important to understand the way in which Form 2-T allocates responsibility for the payment of the various fees imposed by an owner association or its management company. The buyer is only responsible for the fees that are listed in paragraph 6(b). These include fees for providing information required by the buyer’s lender and fees charged for the buyer’s future use and enjoyment of the property. On the other hand, the seller’s responsibility for the payment of association fees includes any fee not allocated to the buyer in paragraph 6(b). A fee for updating the association’s records to reflect the change in ownership is not covered under paragraph 6(b) and therefore is the responsibility of the seller.

In paragraph 8(m), can a buyer terminate the contract if an inspection reveals that an agreed-upon repair has not been properly made?

Ultimately, yes. However, if a seller in good faith has attempted to complete the repair, and is willing and able to complete it in a good and workmanlike manner prior to Settlement, the failure to do so on the first attempt would not give the buyer a right to terminate. The buyer is responsible for the cost of all inspections, which would include any re-inspections needed to confirm that the agreed-upon repairs have been properly made.