



Summary of 2023 Changes to NC REALTOR® Residential Forms

The following residential forms have been revised effective July 1, 2023. A summary of the significant changes to each form is included. A marked-up copy of each form showing the exact changes may be viewed by clicking on the name of the form.

1. [Form 2-T – Offer to Purchase and Contract](#)

- 1.1. ¶1(c) – Checkboxes have been added to indicate whether the sale will include an off-site and/or separate septic lot, boat slip, garage, parking space, or storage unit. A note has also been added advising the parties to attach the Additional Provisions Addendum if the property includes any of the mentioned features. Both Joint Forms and the Forms Committee agreed that these new checkboxes should prompt agents to have earlier discussions with their clients about these issues and avoid last minute closing snags.
- 1.2. ¶1(d)
 - 1.2.1. There are several technical changes made to the deadlines by which the Due Diligence Fee and the Earnest Money Deposit must be paid. The changes are meant to add clarity, but do not change the intent of the existing language.
 - 1.2.2. The change at the top of page 2 regarding dishonored funds has been added to make clear that the current attorney’s fees language is not an exclusive remedy. If funds are dishonored, the seller can seek statutory remedies in addition to the remedies provided in this contract.
- 1.3. ¶1(e) – Language regarding how the Earnest Money Deposit should be disbursed has been simplified to avoid confusion and conflict within the form.
- 1.4. ¶1(g) – This is a restatement of the last paragraph of Form 2-T. It is hoped that by having this statement appear twice, it will reduce confusion and the amount of questions fielded by NCR staff on this issue.
- 1.5. ¶2(b) – With the increased popularity of in-home exercise equipment, disputes have become more common regarding whether the buyer or seller gets to keep the equipment when it is, for all intents and purposes, a fixture under paragraph 2(a). Listing these items specifically will help agents have earlier discussions with their clients, and make clear that any attached equipment will be transferred to the buyer at closing.
- 1.6. ¶2, Page 4 – Language has been added to clarify that if items are excluded and removed by seller in this paragraph, then seller must repair such removal in a good and workmanlike manner. A note has also been added to advise the buyer to attach the Additional Provisions addendum if they wish to be more specific with the level of workmanship expected with the removal.

- 1.7. ¶4(b)(vi) – Language has been added to alert the buyer that they should conduct governmental compliance as part of their due diligence process. See 1.11 for more information.
- 1.8. ¶7(b) – A warning has been added to alert the parties, and in particular the seller, that if a lead-based paint disclosure is required, but not given, then the buyer may be able to back out of the contract. The warning is provided merely to alert the parties as to existing law, and it does not create a new right in the contract.
- 1.9. ¶7(e) – A new paragraph has been added to alert all parties and the closing attorney whether or not the property is subject to a lease. This new paragraph supplements the existing representation in ¶13.
- 1.10. ¶8(g) – Language has been clarified to state that the seller only needs to convey the property free of any *material* encumbrances. The existing language has no such qualifier. This sometimes results in a buyer trying to use an immaterial encumbrance, such as a six-inch fence encroachment on a small corner of the property, to back out of the contract after due diligence even though the seller can deliver marketable and insurable title.
- 1.11. ¶8(h) – This new paragraph obligates the seller to convey the property free of government regulation violations, except for those violations the seller discloses prior to the Effective Date. This paragraph creates a second condition of the contract, and therefore it operates similar to ¶11 (Condition of Property at Closing).

Because this new section is a condition, an undisclosed violation that is discovered during the transaction will not ordinarily constitute a breach. If the seller discloses a violation, this paragraph will not permit the buyer to terminate. If a violation is discovered after the Effective Date, the seller can either remedy the violation or decline. Depending on the seller's decision, the buyer can either proceed or receive a refund of their EMD and DDF as their sole remedy.

- 1.12. ¶8(i) – Agents frequently put the wrong name in the existing blanks of this section, which causes confusion later in the transaction when the closing attorney and/or lender insists the name on the deed be changed and the contract amended. The new options in (i)-(iv) will help closing attorneys achieve the intent of the contract while also informing the seller as to who will be on the deed. This paragraph does not affect the contract's assignability, which is still prohibited in ¶15.
- 1.13. ¶19 – Occasionally, an aggrieved party in a transaction, usually the buyer, will record a copy of the contract in order to create a cloud on the seller's title. The added language here will make any such recording a breach of this contract, triggering the remedies in paragraph 23.
- 1.14. ¶23(a) and (c) – These changes were approved to accommodate the change discussed in 1.2.2 herein regarding dishonored funds.

2. [Form 2G – Guidelines for Completing the Offer to Purchase and Contract](#)

- 2.1. ¶¶8, 19 – Language added to accommodate changes discussed in 1.12 and 1.13.

3. **NEW** [Form 2A7G – Guidelines for Completing Buyer Possession Before Closing Agreement](#)

- 3.1. This new form gives guidance on how to use Form 2A7-T and explains the basics of the landlord-tenant relationship created thereby.

4. [Form 2A8-T – Seller Possession After Closing Agreement](#)

- 4.1. Preliminary – Warning added to the box at the top of the form urging the buyer and seller to seek legal counsel should the parties wish to amend this lease post-closing.

- 4.2. ¶1 – Option added for the term of possession to end on a date certain. The existing option to declare the term of possession for a specified number of days post closing remains.
- 4.3. ¶2 – Substantial edits have been made to simplify and clarify existing language. The seller’s duty to repair in this paragraph did not square well with existing ¶9 explaining the seller’s indemnity obligation. The changes make clear that the seller is to maintain the property in the condition it is in at closing, except for those items excluded in this paragraph.
- 4.4. ¶4 – Edits have been made to make clear that the seller’s paying the daily fee for holding over will not confer a right to stay in the property indefinitely, and that the buyer will have a right to evict in such circumstances.
- 4.5. ¶6 – This new paragraph provides clarity on the seller’s obligation on move-out with respect to garbage, debris, and personal property.

5. **NEW Form 2A8G – Guidelines for Completing Seller Possession After Closing Agreement**

- 5.1. This new form gives guidance on how to use Form 2A8-T (Seller Possession After Closing Agreement) and explains the basics of the landlord-tenant relationship created thereby.

6. **Form 2A11-T – Additional Provisions Addendum**

- 6.1. ¶3 – Language added to:
 - 6.1.1. Give seller’s agents and representatives direction to release information to the buyer as part of an rental, income, or investment property purchase;
 - 6.1.2. Obligate seller to assign any lease on the property to the buyer;
 - 6.1.3. Provide the name and address of any property manager; and
 - 6.1.4. Obligate the seller to turn over all means of access, except for those means held by the tenant.
- 6.2. ¶7 – This new paragraph allows the parties space to more specifically identify any of the items discussed in 1.1 herein.

7. **Form 2A13-T – Vacation Rental Addendum**

- 7.1. ¶1 – Online vendors, such as VRBO and AirBNB, will cancel all existing reservations when a vacation rental property is sold. This note is provided to alert brokers and the parties to this issue and address pending reservations accordingly.
- 7.2. ¶4 – It is common for the services of a vacation rental property manager to be negotiated by the buyer and seller as part of the purchase contract for a vacation rental. Most of these agreements are verbal and informal, and the buyer agrees to use the seller’s property manager so that the seller can avoid an early termination fee in their current agency agreement. The early termination fees can be substantial and therefore weigh heavily on the seller’s decision to accept an offer.

Right now, if the buyer decides to withdraw from one of these informal agreements, the seller has a difficult path to seek remedy. This new language will help provide clarity to the parties, and if the seller needs to seek a legal remedy, they will not have to rely on an informal or verbal agreement. This new language will also provide a significant risk management benefit to agents, who sometimes get blamed if the buyer backs out of their informal agreement to use seller’s property manager.

8. **Form 12-T – Offer to Purchase and Contract – Vacant Lot/Land**

- 8.1. ¶1(c) – See 1.1.

- 8.2. ¶1(d) – See 1.2.
- 8.3. ¶1(e) – See 1.3.
- 8.4. ¶6(g) – See 1.10.
- 8.5. ¶6(h) – See 1.11.
- 8.6. ¶6(i) – See 1.12.
- 8.7. ¶17 – See 1.13.
- 8.8. ¶21 – See 1.14.

9. Form 12G – Guidelines for Completing Offer to Purchase and Contract – Vacant Lot/Land

- 9.1. ¶6(i) – Changes made to guidelines to accommodate revised language in ¶6(i) of Form 12-T. See 1.12.

10. Form 101 – Exclusive Right to Sell Listing Agreement

- 10.1. ¶3(b) – Attached exercise equipment/devices is added to this form to prompt listing agents to discuss the issues raised in 1.5 herein with their clients at the listing stage, rather than the contract stage.
- 10.2. ¶12(f) – Language added for the seller to disclose potential legal disputes. These sorts of issues are often material facts, and this addition should prompt listing agents to ask the questions necessary to make sure they can fulfill their disclosure obligations.
- 10.3. ¶12(g) – Form 2-T and Form 12-T already have FIRPTA language. The language has been added here to prompt listing agents to discuss this issue with their client prior to going under contract.
- 10.4. ¶12(q) – Language added so the seller can disclose any off-site and/or separate septic lot, boat slip, garage, parking space, or storage unit and prompt listing agents to discuss the issues raised in 1.1 herein with their clients at the listing stage.
- 10.5. ¶12(r) – Language added so the seller can disclose any governmental compliance issues with the property and prompt listing agents to discuss the issues raised in 1.11 herein with their clients at the listing stage.
- 10.6. ¶13(a) – See 1.8.

11. Form 103 – Exclusive Right to Sell Listing Agreement (Vacant Lot/Land)

- 11.1. ¶9(d) – Under the Residential Property Disclosure Act (Chapter 47E), disclosure statement must be provided whenever the property has 1-4 dwelling units. The term “dwelling units” is not defined in the statutes, however, it is possible that a manufactured or mobile home could count, even if the property is otherwise vacant and will be sold as vacant. This note is added to alert the parties that disclosures may be required, even in a vacant land transaction.
- 11.2. ¶9(k) – See 10.5.
- 11.3. ¶9(l) – See 10.2.
- 11.4. ¶9(m) – See 10.3.

12. Form 201 – Exclusive Buyer Agency Agreement

- 12.1. ¶4(b)(ii) – Language added to alert buyer agent’s that commissions may not be paid by the buyer in connection with a VA loan. Similar language already exists in the guidelines, and it is restated here to hopefully bring more awareness to this issue.
- 12.2. ¶16 – Changes made to define the effective date of the agreement to provide more certainty as to the beginning of the agency. Associated changes also made to the first page of this form.

13. NEW Form 320-T – Agreement and Bill of Sale of Personal Property

- 13.1. This new form permits agents to deal effectively with personal property that may, or may not, be associated with a real property transaction. Currently, agents use an ad hoc approach or use a closing attorney to facilitate the transfer of personal property. This form will standardize this process, and provide a significant risk management benefit to members.

14. Form 350-T – Termination of Contract (Form 2-T) by Notice to Seller from Buyer

- 14.1. ¶2 – New checkboxes added to allow the buyer to terminate due to failure to satisfy new governmental compliance condition (see 1.11), terminate due to the seller’s breach of contract, and terminate without giving a reason. These checkboxes close an important gap in the current forms system. Parties often terminate for reasons other than those allowed in the contract. In such circumstances, agents have no forms to help their clients, which results in ad hoc and potentially confusing communications as to termination. These new checkboxes will provide certainty around the issue of termination, significantly decreasing risks to agents.

15. Form 351-T – Termination of Contract (Form 12-T – Vacant Lot/Land) by Notice to Seller from Buyer

- 15.1. See 14.1.

16. Form 352-T – Termination of Contract (Form 2-T) by Notice to Buyer from Seller

- 16.1. ¶2 – New checkboxes added to allow the seller to terminate due to the buyer’s breach of contract and terminate without giving a reason. These checkboxes close an important gap in the current forms system. Parties often terminate for reasons other than those allowed in the contract. In such circumstances, agents have no forms to help their clients, which results in ad hoc and potentially confusing communications as to termination. These new checkboxes will provide certainty around the issue of termination, significantly decreasing risks to agents.

17. Form 353-T – Termination of Contract (Form 12-T – Vacant Lot/Land) by Notice to Buyer from Seller

- 17.1. See 16.1.

18. Form 710 – Agency Agreement Renewal and/or Amendment

- 18.1. ¶3 –The existing language in this paragraph does not state whether any previous amendments are still binding following the execution of a subsequent amendment. The added language makes clear that prior amendments, if any, continue to be binding in addition to any new amendments.

19. Form 730 – Referral Agreement

- 19.1. Compensation paragraph – The existing language in this form is insufficient to indicate how many transactions the referring agent should be paid on prior to the end date specified. This change clarifies that the referring agent is to be paid on each transaction that occurs prior to the end date unless otherwise stated in the referral agreement.

20. Form 800-T – Offer to Purchase and Contract – New Construction

- 20.1. ¶10(g) – See 1.10.
20.2. ¶10(h) – See 1.12.
20.3. ¶20 – See 1.13.

21. Form 800G

- 21.1. ¶10(h) – Language added to accommodate changes discussed in 1.12.

The forms will be updated on the NCR web site and provided to NCR members who license the forms by July 1st. The forms will be provided to NCR's approved software vendors for a July 1st release. According to NCR Forms Policy, permitted users will have a 60-day grace period to transition to the new forms.