

Questions and Answers on the SSR: SELLER'S STATEMENT ON REPAIRS

Q Why should we use the Seller's Statement on Repairs form?

A The California Residential Purchase Agreement (RPA-CA) states in Paragraph 10:

"REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing... Seller shall: (i) obtain receipts for Repairs performed by others, (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition."

REALTORS® have found that actually complying with this paragraph was difficult at best, with confusion on the part of the sellers, buyers and agents. File documentation was cumbersome and often inaccurate. This is a problem for all, especially as repairs frequently cause disagreements both before and after close of escrow.

Also, it can be useful for a buyer to know, prior to the close of escrow, which repairs were made by tradespersons, and which were made by the seller him/herself, so that there is no confusion after the close of escrow. If it is important to the buyer that repairs to the property are made by licensed tradespersons, the buyer can investigate the competency of the seller's repairs and the qualifications of the tradespersons the seller hired prior to the close of escrow.

Q Does this form obligate the seller to make repairs to the property?

A No. The standard C.A.R. RPA states that the seller is selling the property "as-is", which means that the seller is not obligated to make any repairs to the property. As part of the inspection process, however, the buyer may request to alter the contract by requesting that the seller repair certain items, often those items found and addressed through a home inspection. The C.A.R. form Request for Repairs (RR) is useful when the buyer is making such a request.

Bear in mind that the RPA's "as-is" character does not alter or relieve the seller's obligation to disclose to the buyer facts about the property that materially affect its value or desirability, nor does it alter or relieve a real estate sales person from the obligation to perform a reasonably diligent visual inspection and disclose the results of that inspection, in writing, to the buyer.

Q Does this form take the place of C.A.R.'s form Request for Repairs (RR)?

A No. As stated above, the two are best used together. The RR form is used by the buyer to request that the seller make certain repairs. If the seller agrees, the SSR documents which repairs were performed by the seller and which were performed by others. It also gives the buyer the identity of tradespersons or other individuals that performed the repairs for the seller.

Q When should an agent use the Seller's Statement on Repairs?

A The most opportune time to give this form to the seller is when you are delivering the buyer's request for repairs. Because the form contains the exact language of the Residential Purchase Agreement, the seller has a clear understanding of the responsibilities regarding the documentation of repairs. This makes it an easier process to keep all the information necessary with a single form and to complete the written statements as required. After the seller completes the form, it is then given to the co-op agent to deliver to the buyer. The format makes it simple for the buyer to review the work completed and know when and how it was completed. After close of escrow, the buyers have all the information necessary to contact tradesmen who made repairs on behalf of the seller.

The Seller's Statement on Repairs is a valuable transaction tool. With this very basic understanding, we should all embrace the usage of this new transaction document. Use it just once with a seller and you will be sold. ☺

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These forms are available through the Risk Management library on zipForm®
and at the SDAR Service Center in Kearny Mesa.