



After the Moratorium: 2016 Contract Changes...

As we shared with you in a prior Newsletter, the Colorado Real Estate Commission (CREC) imposed a two-year moratorium on contract changes until January 1, 2016. [See, "[Real Estate Contracts and the Moratorium](#)", August, 2014] That Moratorium will soon be ending, and the industry will be using revised Contracts for Purchase and Sale effective with the coming of the new year.

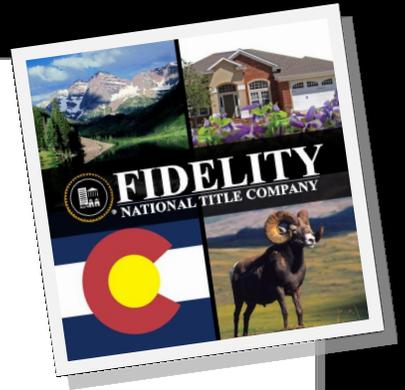
After the implementation of the Moratorium in 2013, the CREC reached out to real estate practitioners statewide creating a professional focus group. That group offered its comments on areas of concern with the Contract, and the CREC directed the Forms Advisory Committee to limit its efforts to the top 25 areas identified by the focus group. The process was completed with recommendations made to the CREC at the August 2015 meeting. The Commission approved the contract revisions for use starting in January 2016.

Areas of the contract affected by the efforts of the Commission and the Forms Committee included the following:

- Assignability;
- Treatment of Fixtures & Personal Property;
- Seller Concessions;
- Managing Appraisal Delivery, Objections & Resolution;
- Association Documents;
- Title Insurance and OEC (Owners Extended Coverage) Coverage;
- Oil, Gas, Water and Minerals Disclosure;
- Survey Issues;
- Latent Defects;
- Loss, Insurance, Damages, Etc.;
- Default & Remedies;
- Mediation; and
- Notice and Delivery.

The details and substance of the contract changes obviously exceed the scope of this Newsletter. The CREC, as in past years, recommends that practitioners take a Contracts Update class specifically geared to the changes and **not rely solely** on the Annual Commission Update. Some of the changes are more substantive than others and will be fleshed out in courses offered by area providers.

At the August 2015 meeting when the CREC approved the foregoing changes for 2016, Commissioners discussed at length whether they should consider imposing future moratoriums to limit the extent and frequency of contract changes. Not only did the Commission agree to continue the practice, it actually voted to extend the next Moratorium to three years instead of the previous two-year period. The official position is that there will be no changes within the period of the Moratorium unless: (i) specific legislative actions mandate changes; (ii) intervening judicial decisions require changes; or (iii) attorney general opinions require modifications to advance the best interests of consumers or brokers. Simply stated, in the absence of one of the three designated occurrences, brokers and the clients will not be seeing further changes to the standard Contracts until January 1, 2019.



As indicated in our August 2014 Newsletter, the industry asked for some relief from the burden of frequent and numerous contract changes. The Commissioners listened with the first Moratorium and apparently, experience has taught them the practice has worked and should be continued.

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