

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.

Q Why was the Seller's Statement on Repairs form created?

A Contrary to popular assumptions, many forms are initiated by agents in the trenches. A high-volume agent and her transaction coordinator in one branch of a large brokerage constructed a form that worked so well for them that they sent it to the firm's corporate office for use by all the associates. It became standard practice with

the whole firm. A co-op broker submitted the form for consideration to SDAR's Risk Management Committee. After discussion and careful review, the committee selected the form to be a part of the risk management library approved and produced by SDAR. Now everyone has the ability to use this practical form.

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. ☞



To Order Risk Management Forms

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