

Buyer Requests for Repairs

C.A.R. Forms RR and RRRR. Negotiating repairs can be a very important, yet very complicated, part of a sales transaction. Buyers can request repairs using C.A.R. Form RR, Request for Repair. Sellers may respond on C.A.R. Form RR or may respond separately on C.A.R. Form RRRR, Seller Response and Buyer Reply to Request for Repair. Together, these forms may be used to facilitate the negotiation of repairs and removal of contingencies.

How may a Buyer request that a Seller make repairs? The buyer should use C.A.R. Form RR to propose that the seller: 1) make repairs, 2) cure section 1 or section 2 items identified on a pest report, 3) provide a credit, or 4) adjust the purchase price. The Buyer should give seller copies of inspection reports with the request.

How may a Seller respond to a Buyer's requests? The seller may respond directly in Section 2 of C.A.R. Form RR if the seller is agreeing to either everything or nothing that the buyer requested. If the seller wants to agree to only some of the buyer's request, or wants to propose an alternative response, the seller should respond on C.A.R. Form RRRR instead.

NOTE: C.A.R. Residential Purchase Agreement, Paragraph 14B(2), does not require that seller respond to a buyer's request for repairs. Although it is courteous for the seller to respond, no response from a seller should be interpreted as "NO" to all repairs asked for by the buyer.

What conditions does Seller make when agreeing to repairs? In both C.A.R. Forms RR and RRRR, the seller's agreement is conditional. The buyer must agree to the release language included on the form and to removing the identified contingencies for the seller's agreement to be binding.

Agreeing to the seller's response and signing directly on C.A.R. Form RR or RRRR will remove the physical inspection contingency. Buyer must sign the Contingency Removal, C.A.R. Form CR, attached to Forms RR or RRRR to remove any additional contingencies.

If the seller is responding on C.A.R. Form RRRR, the buyer may: 1) accept the seller's response, 2) counter terms in 1B, or 3) make a new Request for Repair. If the buyer counters the terms in 1B, then the seller needs to complete C.A.R. Form RRRR, Section 3. If the buyer makes no counter, this section is left blank.

What are alternatives to Seller making repairs? If a buyer does not want to request repairs, or a seller does not want to perform them, C.A.R. Forms RR and RRRR allow for the parties to agree to a credit or price reduction. While the seller may offer a credit or price reduction, it is possible that the repair of habitability conditions by the seller may be required by the buyer's lender. Additionally, the buyer's lender may disallow a credit being offered from the seller to the buyer. Remember that the lender's decision must be respected, and the buyer cannot receive the credit if that credit is disallowed by the lender. To avoid this situation, ask the lender in advance about the maximum allowable credit.