

**2016-17 CREC Forms**

**COLORADO REAL ESTATE COMMISSION**  
**FORMS**

**By**

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# **2016 & 2017 CREC Forms**

## **COLORADO REAL ESTATE COMMISSION FORMS**

**(2016 Forms Adopted 6-24-15; 2017 Forms 6-23-16 )**

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### **INTRODUCTION**

Changes to the Contract to Buy and Sell Real Estate and other Commission forms for 2016 furthered the Commission's direction to provide more clarity, simplification and to address the comments, suggestions and recommendations submitted by attorneys, brokers, Division of Real Estate staff and various associations. The Commission (on its own volition, not from the Forms Committee) directed that the forms being addressed convert language from "shall" to "will" or "must." One very significant change was to eliminate the pre-printed Owner Carry Provisions due to both federal and state law changes involving mortgage loan originators led by the Dodd-Frank Act and the Consumer Financial Protection Bureau (CFPB). Changes occurred in all 5 of the contract forms, as well as ancillary forms.

### **REVISED FORMS**

Eight forms were adopted at the Commission's June 24, 2015 special adoption meeting. The following revised forms became mandatory on January 1, 2016:

#### **Sale Contracts**

1. (CBS1-6-15) (Mandatory 1-16) Contract To Buy And Sell Real Estate (Residential)
2. (CBS2-6-15) (Mandatory 1-16) Contract To Buy And Sell Real Estate (Income -- Residential)
3. (CBS3-6-15) (Mandatory 1-16) Contract To Buy And Sell Real Estate (Commercial)
4. (CBS4-6-15) (Mandatory 1-16) Contract To Buy And Sell Real Estate (Land)
5. (CBSF1-6-15) (Mandatory 1-16) Contract To Buy And Sell Real Estate (Residential) (Colorado Foreclosure Protection Act)

#### **Supplemental Forms**

6. (CP40-6-15) (Mandatory 1-16) Counterproposal
7. (AE41-6-15) (Mandatory 1-16) Agreement To Amend/Extend Contract
8. (NTT44-6-15) (Mandatory 1-16) Notice To Terminate

**NOTE:** The forms included in this material are current through the 6-16 Revision cycle effective January 1, 2017. The final forms are available electronically at the Colorado Real Estate Commission's website: <http://www.dora.state.co.us/real-estate/> (**Real Estate Broker Mandatory Contracts and Forms**).

## **I. Contract to Buy and Sell Real Estate - Details**

As noted above, the revisions to the Contract to Buy and Sell forms addressed various recommendations to the Division of Real Estate and to the Forms Committee, primarily through the approximately 100 brokers participating in the Commission's "Focus Group". The changes were intended to make the forms more clear, consistent and understandable with limited substantive changes.

The following Sections of the Contract to Buy and Sell Real Estate contain changes or clarifications. A global change throughout the Contract is the elimination of many of the internal references to Section numbers, while retaining the title or caption to the respective Section or subsection. Another global change made is to start off any check boxes with "None," if applicable.

1. **Section 2.2, Assignability and Inurement.** The two provisions, Assignability and Inurement, were segregated from each other. The "Inurement" provision is now the new last sentence in Section 26. The term "inurement" became "*successor* to a party receiving the benefits and burdens under the Contract".

"*Assignability*" remains in § 2.2. but rather than a using a check box to specify whether the Contract is or is not assignable, the revision prohibits assignability "unless otherwise specified in Additional Provisions." It is envisioned that in most investment properties sales, the Contract (in Additional Provisions) will specify the Contract is assignable by the Buyer with requirements and restrictions set forth for the Seller to minimize abuse by the Buyer.

2. **Section 2.5.1, Inclusions–Attached.** The old title "Fixtures" was changed to "Inclusions-Attached." There has been much confusion about whether an item is or is not a "fixture". In the end, Buyers and Sellers are only interested in whether an item is included as part of the Purchase Price or not. Accordingly, § 2.5.1 specifies the items included in the sale "if attached" to the Property.

3. **Section 2.5.2, Inclusions–Not Attached.** The old title "Personal Property" was changed to "Inclusions–Not Attached." This subsection is the laundry list of items included in the Purchase Price and adds a few items and clarifications.

The prior title of "Other 'Personal' Property" was replaced with "Other Property." This was done as some of the items may or may not actually be "personal property." A check box for

Solar Panels is now included. The Section also contains an instruction to address this item under “Due Diligence Documents” if any of the items are leased (security systems, satellite systems and solar panels)

**Note:** In CBS 2, 3 and 4, former § 2.5.3, Trade Fixtures, was omitted. If there are any Trade Fixtures included in the Purchase Price, these items may now be set forth in § 2.5.4, “Other Inclusions”.

4. **Section 2.5.3, Personal Property–Conveyance.** This subsection was changed to state that the conveyance of “personal property” will normally be by way of a Bill of Sale.

5. **Section 2.5.4, Other Inclusions.** “Other Inclusions” replaces “Other Personal Property” and directs that any other specified inclusion “whether fixtures or personal property” are to be enumerated in this subsection.

6. **Section 2.7.5, Water and Sewer Taps.** This subsection has been removed from all of the Contract forms, except for the “Land” contract (CBS 4), where the water and sewer taps should be addressed. It was concluded that the provision in the other contract forms created more confusion than it solved. In most transactions the water and sewer taps are included and fully paid. The significant issue of water or sewer taps quite often comes into play in land transactions (or newly constructed improvements) where a Buyer wants to assure the taps are part of the Purchase Price, where the Property will be serviced by a municipality, but water or sewer service is not yet in place. This is typically an issue when a “Land” Contract is used.

7. **Section 3, Dates and Deadlines.** Two new provisions, “Appraisal Objection Deadline” and “Appraisal Resolution Deadline” were added to the Dates and Deadlines table as Nos. 20 and 21. Items 22–24 changed the titles from Current” Survey to “New” ILC (Improvement Location Certificate) or “New” Survey for the base deadline, Objection and Resolution Deadlines.

**Note:** § 3, Item 24 contains a clerical error of “§ 9.4” where it should contain the correct section number of §9.3 (§ 9.4 does not exist).

**Note:** § 3.1 contains a potential pitfall. The problem is with the terms “left blank.” It could be unclear what the “corresponding provision” in the Contract refers to. It was not the drafters intent to have an entire provision be treated as deleted; rather, only the respective language in the body of the Contract that the blank or box (left blank) is tied to or referencing. The drafters are comfortable with the Court being able to summarily reject such a creative argument or position and apply common sense instead of a strained interpretation to arrive at an obvious erroneous conclusion. For example, § 4.5.3, Loan Limitations. If the “Bond” or “Other” boxes are “left blank”, only those two types of loans were intended to be “deleted”, not the entirety of § 4.5.3. One solution is to assure no box or blank is “left

blank.” Rather, they should be lined through, stricken or in case of a “blank”, completed with “N/A.”

This § 3.1 reads:

**“3.1. Applicability of Terms.** Any box checked in this Contract means the corresponding provision applies. Any box, blank or line in this Contract **left blank** or completed with the abbreviation “N/A”, or the word “Deleted” means such provision, including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted. If no box is checked in a provision that contains a selection of “None”, such provision means that “None” applies. “ (Emphasis supplied).

As shown above, a new sentence was added to address failure to check any box which contains the choice of “None”; it is presumed that the “None” box was checked.

8. **Section 4.2, Seller Concession.** The language, of this provision was simplified to state that the Seller Concession may be used by the Buyer for any purpose to the extent the amount is allowed by the Buyer’s lender and is included in the “Closing Disclosure” at Closing.

9. **Section 6, Appraisal.** This Section was reorganized, starting with a new § 6.1 Appraisal Definition, § 6.2.1, stating that a Buyer has a right to obtain an Appraisal, and if the Appraised Value is less than the Purchase Price, then, the Buyer may submit a Notice to Terminate or an Objection along with a “Resolution” provision. A new deadline of Appraisal Objection Resolution Deadline was added. As a result of making the Appraisal Provisions track other Sections in the Contract, the provisions are for the protection of the Buyer, not the Seller (except for the provisions in § 6.3, Lender Property Requirements, which allow the Seller the right to terminate, unless the requirements have been completed or the requirements are “waived” by the Buyer.

**Note:** § 6.2.1.2 contains a clerical error of “Appraisalal Value” where it should contain the defined term “Appraisaled Value.”

10. **Section 8, Title Insurance, 8.1.3, Owner’s Extended Coverage (OEC).** The subsection confirms that the title insurance company may not issue OEC, regardless of the requirement in the Contract that it be supplied. This subsection was clarified to assure that a Buyer has a right to Object to Title if the Title Insurance Commitment is not satisfactory to the Buyer.

11. **Section 8.7, Title Advisory.** This section was reformatted by breaking each separate provision contained in the bold print into separately numbered subsections, making it easier to understand and identify by adding clear titles to each subsection.

12. **Section 9, New ILC, New Survey.** This Section was revamped by substituting “New” in place of “Current” and by separately identifying whether a New ILC or a New Survey is to be obtained. This was done to eliminate confusion caused by using an existing survey that was not certified to date. § 9.1 is where one may chose from an Improvement Location Certificate (referred to in the Contract by the abbreviation of “ILC”), or “Survey”, and specify the type of survey (or have an existing survey updated).

§ 9.1.1 Specifies whether Buyer or Seller will order the New ILC or New Survey.

§ 9.1.2 Addresses who is to pay for the New ILC or New Survey.

§ 9.1.3 Specifies who will receive the New ILC or New Survey.

§ 9.1.4 Specifies that the certification is to everyone who will receive the New ILC or New Survey.

§ 9.2 Allows the Buyer to “waive” obtaining a New ILC or New Survey and when the Buyer may change from obtaining an ILC or Survey, so long as the Seller will not incur any cost for the survey.

§ 9.4 Contains the “Objection” to the New ILC or New Survey and follows the consistent practice of a Buyer “Termination”, “Objection” and “Resolution”.

13. **Section 10.2, Disclosure of Latent Defects; Present Condition.** The prior version combined the right to inspect, inspection objection and obligation to disclose latent defects together in one subsection. The new contract separates the latent defect disclosure and acceptance of the Property in its existing condition from the inspection provisions. This becomes very important if the Buyer decides to waive or delete the right of inspection. The title to the new subsection is “Disclosure of Latent Defects; Present Condition.”

14. **Section 10.3, Inspection .** The “Inspection” provision allows the Buyer to inspect the Property, and if not satisfactory, Terminate, Object, or agree to reach a settlement before the Inspection Resolution Deadline. The parties may decide not to have a right to terminate due to an inspection, by addressing it in Additional Provisions. This has become common in the current Seller’s market because of a shortage of inventory, making it a necessity to separate the “Latent Defect Disclosure” from the “Inspection” subsection incase the Inspection subsection is “omitted” or deleted. The Seller must still disclose latent defects whether the Inspection provision is deleted or not. Note: § 10.3, Inspection, while not specifically set forth, includes objections based on zoning and land use restrictions. (Thanks to Jon Goodman, Esq.)

15. **Section 19.1, Causes of Loss, Insurance.** Section 19.1 was revised to require a Seller to exercise reasonable efforts to repair damage to the Property or Inclusions, provided: (1) the damage does not exceed 10% of the Purchase Price (no change); (2) Insurance will pay for

the cost of repairs (except the deductible); (3) Seller receives the Insurance Proceeds; and (4) Damage is repaired prior to Closing. If this cannot be accomplished, then Seller will assign the right to the insurance proceeds, provided this is acceptable to the insurance company and Buyer's Lender. Because many insurance companies will not permit the insurance claim and proceeds to be assigned, it was necessary to modify the "assignment" provision. A new alternative is for the Buyer and Seller to escrow from the Seller's sale proceeds, provided the insurance company and Buyer's Lender approve this.

**16. Section 21, Time of Essence, Default and Remedies.** Section 21 was revised to clarify what "Time of Essence" means. The main focus for the revisions to § 21 was in "Specific Performance" in § 21.1. This provision was re-written to clearly express that a breach by the Buyer allows the Seller the following remedies: (1) Cancel the Contract and keep the Earnest Money Deposit; and (2) recover from the Seller additional damages, if any, the Seller may prove up.

**17. Section 23, Mediation.** Section 23 was revised at the request of the Real Estate Section of the Bar to permit the Buyer to record a Lis Pendens (which requires the commencement of a law suit) prior to or after the date of written notice requesting mediation.

**18. Section 27, Notice, Delivery, and Choice of Law.** Section 27 was revised to address (1) delivery of documents and (2) notice under the Contract. The rewrite makes a significant improvement by clearly setting forth the method of delivery of documents and notice.

§27.1 Addresses **physical delivery** for both delivery of documents and notice under the Contract.

§27.2 Addresses **electronic notice**. Electronic notice is an acceptable alternative to physical delivery. The default methods include facsimile and email. The parties may specify an alternative to these two forms of electronic notice.

§27.3 Addresses **electronic delivery** of documents. The documents (and notice) may be delivered by (1) email (2) hotlink or access to a website, provided the recipient receives all information to access the documents to be delivered; and (3) by facsimile at the fax number of the recipient. This change reflects the current practice of sending title documents, and typically HOA documents, electronically.

**19. Section 31, Attachments – Post Closing Occupancy Agreement.** The Post Closing Occupancy Agreement (PCO Agreement) is becoming more common. With TRID, the revised disclosure rules for financing, and process change following October 3, 2015, the PCO has become the new "normal." § 31, via check boxes, is used to indicate whether there is or is not attached to the Contract a PCO Agreement. The next set of check boxes are used to set forth whether the parties do or do not agree to sign a PCO Agreement on or before Closing.

## **II. Agreement to Amend/Extend Contract (AE41-6-15)**

Due to the addition of a new deadline for **Appraisal Objection Resolution** and change in the label for a **New ILC or New Survey** in the Dates and Deadlines section of the Contract, the Agreement to Amend/Extend was changed to conform to the changed numbers and labels.

## **III. Counterproposal (CP40-6-15)**

The same changes to the Agreement to Amend/Extend are reflected in the Counterproposal form's changes to the Dates and Deadline table.

## **IV. Notice to Terminate (NTT44-6-15)**

Revisions to the Notice to Terminate form were made to clarify that only the Terminating Party is to sign the Notice to Terminate. Note: the Contract does not require a signature, only notice. The signature line reflects a best practice in real estate brokerage.

## **V. CBS 2-4 – Phase 1 Environmental Audit**

Section 10.6.5 of CBS 2, CBS 3, and CBS 4, **Due Diligence – Environmental**, changes the version number of the ASTM E1527 to the “most current version.”

## **VI. CBS 4 – Land – Water and Sewer Taps**

As discussed above, §2.7.5, **Water and Sewer Taps** in the CBS 4 (Land) contains a blank for the description of taps for water and sewer, if any, that are included, or a different arrangement between the parties, including space to address how they will be paid for and by whom. Labels will also vary from water and sewer provider and district. The broker will normally be aware of the name or label and can confer with Buyer or Seller and have the principal check with the service provider to assure there is an understanding of costs, limitations and requirements. Many title insurance companies merely refer the parties to the service provider to make appropriate arrangements.

## **VII. CLERICAL ERRORS - 2016**

The clerical errors noted below were not discovered until after the 2016 forms were released and posted to the DRE web site on approximately October 1, 2015. Due to the 3 year Moratorium adopted by the Colorado Real Estate Commission, the earliest these items may be addressed is January 1, 2019.



| #  | CBS Form     | Section #  | Description  |
|----|--------------|--|--|
| 1  | CBS 2-4      | § 2.5.3  | “Trade Fixtures” has been removed  |
| 2  | CBS 1,2,3,F1 | § 2.7  | Remove “Water and Sewer Taps” from Section Title.  |
| 3  | CBS 1-4      | § 3, Item 24   | § 9.4 should be §9.3   |
| 4  | CBS 1-4      | § 3.1, 2 <sup>nd</sup><br>Sentence: if “left blank”<br><br>(ambiguous what is deleted) | Any box, blank or line in this Contract <b>left blank</b> or completed with the abbreviation “N/A”, or the word “Deleted” means such provision, including any deadline, is not applicable and the <b>corresponding provision</b> of this Contract to which reference is made is <b>deleted</b> . |
| 5  | CBS 1-4      | § 6.2.1.2  | “Appraisal” Value” should be “Appraised Value”   |
| 6  | CBS 2-4      | § 10.6.4   | Change Internal Reference from § 10.6.5 to §10.6.4   |
| 7  | CBS 1, 2 F1  | § 16.1   | Clarify that Veteran’s <b>Surviving Spouse</b> is included with “qualifying disabled veteran exemption”  |
| 8  | CBS 3        | § 16.1   | Remove <b>Qualifying Sr. and Qualifying Veteran Exemption</b>  |
| 9  | CBS F1       | § 17   | Remove Last Sentence “Post Closing Occupancy Agreement”  |
| 10 | CBS F1       | § 31.1.1   | Remove Last Sentence “Post Closing Occupancy” provision  |
| 11 | CBS 3, 4     | § 19.2   | Remove Last Sentence “Home warranty”   |
| 12 | CBS F1       | Form #   | Change Form # to CBSF1 in Legend at Top and Footer.  |

## **VIII. 2017 Form Changes.**

### **A. Summary of Forms Changed.**

Eleven forms have been submitted to the Commission to be changed or added where they are anticipated the forms be adopted at the end of June, 2016, mandatory January 1, 2017 for real estate brokers. The following are the form changes for 2017:

1. SS60 Closing Statement
2. PC070 Post Closing Occupancy Agreement
3. EMR83, Earnest Money Release Form
4. LC50 Listing Contract – § 20, Forfeiture Monies (EM Deposit) between Broker and Seller
5. NTC43 Inspection Objection Notice (formerly Notice to Correct);  
(Split into 3 forms: (i) Inspection Objection Notice, (ii) Appraisal Valuation Objection Notice, (iii) Title, Survey Objection Notice).
6. NTC43R Inspection Resolution
7. AVN44 Appraised Value Objection Notice Related
8. TON45 Title Objection Notice (Title, Survey objections)
9. BD24 Brokerage Disclosure to Buyer
10. LD17 Brokerage Disclosure to Landlord
11. SD16 Brokerage Disclosure to Seller; strip out reference to Landlord

### **B. Details of New and Revised Forms for 2017.**

#### **1. SS60 Closing Statement**

The Colorado Closing Statement adds a paragraph at the end of the form, above the signatures, patterned after the prior HUD-1 provision, that the party (to the best of their knowledge) certifies the Closing Statement has been reviewed and it shows all the monies paid or received in the transaction.

## **2. PC070 Post Closing Occupancy Agreement**

The most significant change to the Post Closing Occupancy Agreement extends the allowable lease period from a maximum of 30 days to a maximum of 60 days. This is consistent with most lenders allowing a Buyer up to 60 days to take occupancy of the house as Buyer's primary residence. A new sentence clarifies that the PCO is conditional on Closing of the sale and purchase of the Property.

Note: The Warranty of Habitability statute exempts a lease between a Purchaser and Seller. See, § 38-12-511, C.R.S.

## **3. EMR83, Earnest Money Release Form**

The prior versions of the Earnest Money Release form was restricted to dealing with the disbursement of the Earnest Money Deposit, not the release of liability. The Commission directed that they wanted the form only to deal with the Earnest Money Deposit, not address liability. After fourteen years, the current Commission, at the request of the Forms Committee, concurred to have the Earnest Money Release form contain a **choice** whether or not the parties **"mutually release"** each other in addition to directing to whom the Earnest Money will be disbursed. The parties are advised to consult with counsel.

## **4. LC50 Exclusive Right to Sell Listing Contract – § 20, Forfeiture Monies (EM Deposit) between Broker and Seller**

The Exclusive Right to Sell Listing Contract, from the time it was first adopted in the 1970s, contained a provision that if there was a "forfeiture" of the Earnest Money Deposit by the Buyer, the Seller and Broker would split the Earnest Money 50/50 between each other. While this practice may still continue, if the Seller and Listing Broker agree, § 20 of the Listing Contract now contains a choice (negotiation or explanation?) of how much of the "forfeiture" of the Earnest Money is to be distributed to the Seller and how much to the Broker. Both the Seller and the Broker would incur "losses" as a result of a breach by the buyer who forfeits the Earnest Money Deposit. This provision allows the parties to initially agree, up front or in advance, of a breach by a buyer how the Earnest Money Deposit is to be distributed. The "default", in the event nothing different is provided in §20 is the Seller to receive 100% of the Earnest Money Deposit.

## **5. NTC43 Inspection Objection Notice**

The Inspection Objection Notice, when first adopted under the label of "Inspection Objection" and subsequently changed to "Inspection Notice" which contained a choice for the Buyer to check the respective check box and give a "Notice to Terminate" or "Notice to Correct", was a combined form allowing Buyer and Seller to set forth their resolution on the NTC43 form. That changed when lenders became concerned that the underwriter or investor of the loan would mandate repairs be made

when the parties negotiated a different agreement. Accordingly, in 2012 (effective 1-1-13) the Commission opted to have a separate Inspection Objection form and Inspection Resolution form. Only the Inspection Resolution, when agreed to by Buyer and Seller, needs to be supplied to the Buyer's lender if it affects the purchase price, financing or a condition affecting the safety or structural aspects of the property. A "legend" was developed and inserted in both the Inspection Objection form and the Inspection Resolution form alerting the Buyer that the Buyer should confer with the lender to determine if it would adversely effect the loan approval, funding delays and potentially additional inspections and repairs.

While the "Inspection Objection" is only that of a "Notice" from the Buyer it does not require the Seller's signature, nor should it be required or signed by the Seller. The parties' resolution agreement is to be set forth in the "Inspection Resolution" form or an Agreement to Amend/Extend Contract. There has been much confusion within the Real Estate Brokerage industry believing both Buyer and Seller need to agree and sign the Inspection Objection form.

The 2017 revised form, "Inspection Objection Notice", removes language suggesting it was an "agreement" so it would be sure to be only the required "notice" and continue to contain only signature lines for the Buyer.

This form also led to the fact that the Contract to Buy and Sell allows a Buyer to "Object" (and the parties may enter into a written "resolution," based on matters other than just the condition of the Property). That is, objections may be premised on a low Appraised Value, Title, Survey or Due Diligence Documents. As a result, additional "objection" forms were developed. These appear below.

## **6. NTC43R Inspection Resolution**

The Inspection Resolution form was slightly revised to take out the Section numbers contained in the Contract as too often the Section numbers change in the Contract, but the corresponding change either does not make it into the Resolution form or there is a time delay where the older form contains an incorrect Section Number. The labels or names of the Sections have been fairly stable, so it refers to the Section title. Minimal clerical fixes were made as well. This form is limited to showing the parties agreement to resolve the Inspection Objection Notice. Any other objection based on matters other than an inspection issue should be on an Agreement to Amend/Extend Contract, or in the case of objections dealing with title, surveys or the Due Diligence Documents should be prepared by an attorney (rather than the Broker) to avoid running afoul of the Unauthorized Practice of Law.

## **7. AVN44 Appraised Value Objection Notice**

A new objection form was developed based on the Contract granting a Buyer the right to object to the Appraised Value coming in at less than the Purchase Price.

The Contract requires, in the event of a low valuation, the Appraisal or lender's letter must be supplied to the Seller (so the Seller knows the Buyer is not merely trying to re-negotiate the transaction. The form reflects a place to identify that it is attached.

There is no separate "resolution" form; an Agreement to Amend/Extend Contract is commonly used to reflect the parties agreement to an adjustment to the Purchase Price or other settlement acceptable to the parties.

Related

## **8. TON45 Title Objection Notice (Title, Survey objections)**

Another new objection form was developed based on the Contract granting a Buyer the right to object to Title, Survey or Due Diligence Documents. A spirited discussion was entertained resulting in a special legend alerting the Broker to complete the Title Objection Notice only as a "scrivener" for the Buyer or Buyer's counsel. Because the preparation of the Title Objection Notice is more than merely filling in a blank, the best practice is for an attorney to prepare the objection notice that may involve title (on or off record), survey issues and Due Diligence Documents. The written resolution will likely be placed on an Agreement to Amend/Extend Contract, which should be prepared by an attorney, not the Broker.

## **9. BD24 Brokerage Disclosure To Buyer**

The BD24 Brokerage Disclosure To Buyer form, from its inception, has been a single form to disclose the Broker's relationship and supplied to either a buyer or a tenant. In 2009 a separate disclosure form was developed for a Broker to supply to a tenant. The 2017 change to the BD24 is to have it be a disclosure form given only to a buyer, not a tenant. While this increases the total number of forms, due to most brokerages using computer generated or electronic forms, it will have a negligible impact as most brokerage firms no longer stock "paper" forms and the forms are readily available on line from the DORA- DRE web site or the particular electronic contract or form provider used by the broker associates and brokerage firms. It should also make the forms more understandable or less confusing by using dedicated forms, one disclosure form for working with a buyer and a separate disclosure form when working with a tenant (BDT20, Brokerage Disclosure to Tenant). This form is used unless the Broker has a written listing contract with the Buyer that contains the disclosure. Any reference to a "tenant" or landlord was removed from the new BD24, Brokerage Disclosure to Buyer. The following provision was also removed from the form:

“For purposes of this document, seller also means landlord (which includes sublandlord) and buyer also means tenant (which includes subtenant).”

**10. LD17 Brokerage Disclosure to Landlord**

The **LD17, Brokerage Disclosure to Landlord** form, is a new disclosure to supply disclosure of the Broker’s brokerage relationship to a Landlord. Previously the disclosure form supplied to a Landlord when a Broker working as a Tenant Rep or working with a Tenant was given to a Landlord required the use of form SD16, Brokerage Disclosure to Seller, that provided if the owner was a “Landlord” any reference in the combined SD16, Brokerage Disclosure to Seller, was meant to be a disclosure to Landlord. This form is used unless the Broker has a written listing contract with the Landlord that contains the disclosure. To improve the understanding of the disclosure, a separate form was created to reference the owner of the space or property as “Landlord”, not Seller. Any reference to “Seller” or buyer was removed and in its place substituted the terms “Landlord” and “Tenant.” The following language was removed:

“For purposes of this disclosure, seller also means "landlord" (which includes sub-landlord) and buyer also means "tenant" (which includes sub-tenant).”

**11. SD16 Brokerage Disclosure to Seller**

The **SD16, Brokerage Disclosure to Seller** form, was modified to remove any reference to “Landlord” due to the adoption of the LD17, Brokerage Disclosure to Landlord form. Like the companion forms to a Buyer to make disclosure of the brokerage relationship, the brokerage relationship disclosure to Seller removed any reference to “Landlord” and “Tenant” and is to be used when making disclosure to the Seller of the brokerage relationship. This form is used unless the Broker has a written listing contract with the Seller that contains the disclosure. The following was also removed:

“For purposes of this disclosure, seller also means "landlord" (which includes sub-landlord) and buyer also means "tenant" (which includes sub-tenant).”

#### **IV. CONCLUSION**

This paper highlights the more significant changes to the Colorado Real Estate Commission's revised forms considered in 2016 that will become mandatory for Real Estate Brokers as of January 1, 2017. All of the existing forms, as well as the draft are available on the Commission's website.

**<http://www.dora.state.co.us/real-estate/>**

**(then click on Real Estate Contracts and Forms)**

The Colorado Real Estate Commission's address:

**Division of Real Estate  
1560 Broadway, Suite 925  
Denver, CO 80202**

#### **Attachments of the following DRAFTS:**

- A. Red-lined copy of Contract to Buy and Sell Real Estate (Residential) (CBS1-6-15)
- B. Red-lined copy of Contract to Buy and Sell Real Estate (Income-Residential) (CBS2-6-15)
- C. Red-lined copy of § 20 Forfeiture – Exclusive Right to Sell (LC50)
- D. Red-lined copy of Earnest Money Release (EMR83)
- E. Red-lined copy of Inspection Objection Notice (NTC43)
- F. Red-lined copy of Inspection Resolution (NTCR43)
- G. Red-lined copy of Title Objection Notice (TON45)
- H. Red-lined copy of Post Closing Occupancy Agreement (PC70)