

2025 TREC CONTRACT CHANGES

IMPORTANT THINGS YOU NEED TO KNOW

On November 4, 2024 the Texas Real Estate Commission adopted form revisions recommended by the Texas Real Estate Broker-Lawyer Committee. “The updated Condominium Resale Certificate (TREC No. 32-5) is a voluntary-use form. All remaining contract forms adopted by reference are available for voluntary use until January 3, 2025, when their use becomes mandatory.”

THE FOLLOWING FORMS HAVE BEEN UPDATED/CHANGED:

Purchase Contracts -

- Unimproved Property Contract (TREC 9-17)
- One to Four Family Residential Contract (Resale) (TREC 20-18)
- New Home Contract (Incomplete Construction) (TREC 23-19)
- New Home Contract (Completed Construction) (TREC 24-19)
- Residential Condominium Contract (Resale) (TREC 30-17)
- Farm and Ranch Contract (TREC 25-16)

Addendum & Amendments -

- Addendum for Section 1031 Exchange (TREC 60-0)
- Third Party Financing Addendum (TREC 40-11)
- Amendment to Contract (TREC 39-10)
- Addendum for “Back-Up” Contract (TREC 11-8)

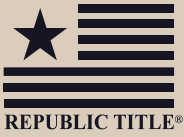
Other -

- Condominium Resale Certificate (TREC No. 32-5)

Scan the QR Code to visit the TREC website for all the updated forms, listed changes and red-lined versions.



Highlights of the changes continued on the reverse...



HIGHLIGHTS OF THE CHANGES

T-47 & T-47.1

WHICH FORM(S) AND SECTION(S)?

Unimproved Property Contract (TREC 9-17), One to Four Family Residential Contract (Resale) (TREC 20-18), New Home Contract (Completed Construction) (TREC 24-19), Farm and Ranch Contract (TREC 25-16) Paragraph 6C

WHAT'S CHANGED?

To be consistent with a recently updated Texas Department of Insurance procedural rule, Paragraph 6C(1) is amended to include the option of providing the T-47.1 Declaration (which does not need to be notarized)—in lieu of the T-47 Affidavit—when the Seller furnishes the Buyer an existing survey. In lieu of providing a “no survey required” option, Paragraph 6C(2) is amended to read “Buyer may obtain a new survey” instead of “Buyer shall obtain a new survey”, and adds that if the Buyer ultimately fails to obtain the survey, the Buyer does not have the right to terminate the contract under Paragraph 2B of the Third Party Financing Addendum because the survey was not obtained.

Mold Remediation Certificate

WHICH FORM(S) AND SECTION(S)?

Most Contract Forms including One to Four Family Residential Contract (Resale) (TREC 20-18), Paragraph 6E

WHAT'S CHANGED?

Because Texas law requires a seller to provide a buyer a copy of any mold remediation certificate issued during the five years preceding the sale of the property, new Paragraph 6E(11) is added to provide information regarding this requirement (except in the Unimproved Property Contract).

Termination Due to Lack of Buyer Approval for Third Party Financing

WHICH FORM(S) and SECTION(S)?

Third Party Financing Addendum Paragraph 2A

WHAT'S CHANGED?

In the Third Party Financing Addendum, to ensure the buyer is terminating appropriately, Paragraph 2A, Buyer Approval, has been changed to require both a notice of termination and a copy of a written statement of the lender's determination like in Paragraph 2B, Property Approval.

Option and Earnest Money in Back-Up Contract

WHICH FORM(S) AND SECTION(S)?

Addendum for “Back-Up” Contract, Additional language added in Sections A thru F

WHAT'S CHANGED?

The Addendum for “Back-Up” Contract is modified to provide more clarity on the timing and payment of the earnest money and option fee by incorporating similar language from Paragraph 5 of the contract and by addressing timing and payment of additional fees.