

Architectural blueprints are shown on the left side of the image, partially unrolled, with various dimensions and technical drawings visible. The blueprints are set against a light blue background with a subtle wood-grain texture.

iBuyer Contracts

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Why have they become so popular?

◆ There is a perceived ease with which a buyer or seller can remain what may appear to be

ANONYMOUS

DISENGAGED

UNBOTHERED and

HASSLE-FREE transaction.

What are the risks?

Representation

- ◆ Buyers and Sellers are often under or not represented in these contracts.
- ◆ Like many contracts that we see in this industry, these contracts are often one sided and there to protect one group or grouping of interests.

Contract Language

- ◆ Vague
- ◆ Confusing
- ◆ Full of Legal Ease
- ◆ Can be extremely costly to the customer

Contract terms

- ◆ T&C – terms and conditions
- ◆ Addendums or Exhibits that control or change most of the contract provisions
- ◆ HOA fees
- ◆ Warranties- remodels/ changes and payments
- ◆ Deeds of conveyance, Marketable vs. Insurable title
- ◆ Vague requirements for changes and upgrades to the property
- ◆ Non-disclosure issues
- ◆ Choice of closing attorney
- ◆ Costs associated with closing
- ◆ Terms and conditions after closing

TERMS AND CONDITIONS

“HEREIN SHALL CONTROL ALL TERMS OF THE AGREEMENT AND ANYTHING OTHERWISE SAID AND /OR PROVIDED TO YOU OUTSIDE OF THIS EXACT FEW PAGES SHALL NOT BE DEEMED TO BE ENFORCEABLE”

ADDENDUMS/EXHIBITS

THE CONTENT AND AGREEMENT HEREIN SHALL CONTROL

HOA FEES

- ◆ LANGUAGE TERMS THAT MODIFY THE DISCLOSURES THAT MAY HAVE BEEN GIVEN IN AN OFFER.
- ◆ THE LANGUAGE IS OFTEN HIDDEN OR FOUND AMONG LEGAL EASE
- ◆ PROCLUDES THE PLATFORM FROM PAYING ANY FEES OF ANY KIND THAT MAY BE BILLED ON THE HOA CLOSING LETTER

WARRANTIES OF PROPERTY CONDITION

- ◆ THERE ARE USUALLY NO WARRANTIES OF THE CONDITION OF THE PROPERTY.
- ◆ NO WARRANTIES AS TO WHETHER THE CHANGES, REMODEL OR UPGRADES WERE COMPLETE OR PERFORMED BY LICENSED CONTRACTORS.
- ◆ ONLY STATEMENT OF COMPLETENESS IS PAYMENT TO THE CONTRACTORS OR WORKERS THAT PERFORMED THE WORK
- ◆ GENERALLY NO DISCLOSURES OF ANY KIND (PRIOR LISTING PHOTOS)

DEEDS OF CONVEYANCE

- ◆ QUIT CLAIM DEEDS
- ◆ LIMITED WARRANTY DEED
- ◆ DEEDS CAN HAVE ADDITIONAL LANGUAGE LIMITING THE CONVEYANCE

REQUIREMENTS FOR REPAIRS

- ◇ VAGUE LANGUAGE WHICH CAN BE COSTLY AND REQUIRE NUMEROUS REPAIRS TO THE PROPERTY PERFORMED BY VENDOR OF THE PLATFORM'S CHOICE
- ◇ SOMETIMES THE VENDORS ARE DIRECT EMPLOYEES OR VENDORS THAT COMPANY MAY HAVE A VESTED FINANCIAL INTEREST IN

NONDISCLOSURE

- ◆ YOU ARE PROBABLY NOT GETTING A SELLER DISCLOSURE IF PROPERTY IS OWNED BY A COMPANY THAT PURCHASED THE PROPERTY FOR RESALE
- ◆ DOES NOT WARRANT THE DISCLOSURE
- ◆ THE DISCLOSURE DOES NOT SURVIVE CLOSING AND IT IS UP TO BUYER TO FULLY INSPECT
- ◆ LANGUAGE THAT ONLY RECOURSE IS BUYER'S HOME INSPECTOR

CHOICE OF CLOSING ATTORNEY

- ◇ WHY DOES THIS MATTER?
- ◇ MARKETABLE TITLE VS INSURABLE TITLE
- ◇ TITLE POLICY ISSUED AT CLOSING
- ◇ COST TO CONSUMER

COSTS ASSOCIATED WITH CLOSING

- ◇ CAN VARY GREATLY BASED ON THE LAW FIRM
- ◇ COSTS ASSOCIATED WITH REPRESENTATION
- ◇ COSTS BASED ON MARKET COMPARISON

AFTER CLOSING ISSUES

- ◇ MEDIATION, ARBITRATION AND LITIGATION
- ◇ NONDISCLOSURE ISSUES (WAS IT REQUIRED TO BE DISCLOSED?)
- ◇ LIABILITY LIMITS
- ◇ CONSUMATION OF CLOSING IS FINAL

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