

FOR YOUR INFORMATION...

When to use the Notice of Default Purchase Agreement.

The Notice of Default Purchase Agreement is a special type of CAR contract that should be used when a property meets the following three criteria:

- *The property is residential and owner-occupied*
- *A Notice of Default has been recorded on the property*
- *The buyer is an investor, and does not intend to occupy the property*

If these three criteria are met, current laws allow the seller to cancel the transaction up to five days after the offer is accepted or by 8:00am on the scheduled date of sale per the foreclosure action, whichever occurs first.

Important: If the appropriate contract is not used, this statute allows the seller to rescind and void the entire transaction up to two years after the close of escrow, pursuant to portions of CC Section 1695.

Failure to use the appropriate purchase agreement could impact a title company's ability to insure the transaction.

If you have any questions on how this may impact your specific transaction, contact your Escrow Officer today!



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