

**GUIDE TO
LOUISIANA REAL ESTATE COMMISSION
2022 LOUISIANA RESIDENTIAL AGREEMENT
TO BUY OR SELL**

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INTRODUCTION

Louisiana law requires all real estate licensees to use a mandated Louisiana Residential Agreement to Buy or Sell (“Agreement”) as the starting point for a contract to purchase residential property. See La. Admin. Code Tit. 46, Pt. LXVII, § 3900. The Louisiana Real Estate Commission mandated the first Agreement in 2009. Since this time, multiple revisions have been made to the form. This article will detail the significant changes to the 2020 Agreement made by the Louisiana Residential Agreement to Buy and Sell (“2022 Agreement”). The 2022 Agreement will be required to be used by all real estate licensees commencing on January 1, 2022. The 2022 Agreement is currently available on the LREC website and can be used now. <https://lrec.gov/>. A redline comparison of the 2020 Agreement against the 2022 Agreement is included at the end of this article. This redline is intended to reflect the significant additions and deletions between the 2019 Louisiana Residential Agreement to Buy or Sell and the 2022 Louisiana Residential Agreement to Buy or Sell. This redline is not a word by word comparison of the two documents.

REVISIONS TO 2022 LOUISIANA RESIDENTIAL AGREEMENT TO BUY OR SELL

A. Information Block on Page 1 of the Agreement

<p>Listing Firm _____</p> <p>Seller's Designated Agent Name (<u>Seller's agent</u>) & License Number _____</p> <p>Brokerage Name & License Number _____</p> <p><u>Agent</u> Phone Number _____ <u>Brokerage</u> Phone Number _____</p> <p>Email Address _____</p>	<input type="checkbox"/> Dual Agent	<p>Selling Firm _____</p> <p>Buyer's Designated Agent Name ("<u>Buyer's agent</u>") & License Number _____</p> <p>Brokerage Name & License Number _____</p> <p><u>Agent</u> Phone Number _____ <u>Brokerage</u> Phone Number _____</p> <p>Email Address _____</p>
<p>Delivered by <u>Name of Agent Receiving Agreement from</u> Designated Agent Day to Date Time AM/PM</p>		
<p><u>Agreement transmitted by</u> <input type="checkbox"/> <u>electronic</u> <input type="checkbox"/> <u>hand delivery</u> <input type="checkbox"/> <u>other</u></p>		
<p><u>Signature of Designated Agent Receiving Agreement</u> Day Date Time AM/PM</p>		
<p><u>Comments</u></p>		
<p>Received by Designated Agent Day Date Time AM/PM</p>		

The information block on the first page of the 2022 Agreement has been updated from the 2020 Agreement to require the most common information in transmitting and reviewing offers electronically. Although an offer can still be transmitted by fax for example, the more common method is e-mail. It is intended this new format will allow for easier access to e-mail addresses for Agents and/or Brokers. Further clarity has been added to the information sheet by specifying

that the Agent receiving the Agreement (offer) from the Designated Agent should be listed on the information block and that the method of transmitting the Agreement (offer) should also be included. If, for example, the method of transmission is electronic, the email address should be included on the blank.

B. Electronic Notice Authorization

<u>Electronic Notice Authorization</u>	
<input type="checkbox"/>	<u>The BUYER further authorizes his or her agent to electronically deliver notices and other communications to the email address he or she provided to his or her agent. Furthermore, the BUYER authorizes the Seller's agent to electronically deliver notices and communications to the Buyer's agent at the e-mail address shown above.</u>
<input type="checkbox"/>	<u>The SELLER further authorizes his or her agent to electronically deliver notices and other communications to the email address he or she provide to his or her agent. Furthermore, the SELLER authorizes the Buyer's agent to electronically deliver notices and communications to the Seller's agent at the e-mail address shown above.</u>
<u>The authorization contained in this Section is not an authorization for the Buyer's agent to communicate directly with the Seller or a Seller's agent to communicate directly with the BUYER.</u>	
<u>The BUYER and SELLER agree the use of electronic documents and digital signatures is acceptable and will be treated as originals of the signatures and documents transmitted in the above referenced real estate transaction. Specifically, the BUYER and SELLER consent to the use of electronic documents, the electronic transmission of documents, and the use of electronic signatures pertaining to this Agreement, and any supplement addendum or modification relating thereto, including but not limited to any notices, requests, claims, demands and other communications as set forth in the Agreement.</u>	

The information and authorization for electronic transmission is now included on Page 1 of the 2022 Agreement. This consent to using electronic signatures was previously at the end of the Agreement (2020 Agreement, Page 8). All of the necessary electronic addresses are above the Electronic Notice Block which should make it easier to access this information if electronic signatures are being used.

C. Property Description

1	PROPERTY DESCRIPTION: I/We offer and agree to Buy/Sell the property at:
2	(Municipal Address) _____
3	City _____; Zip _____; Parish _____; Louisiana, (Legal Description)
4	on lands and grounds measuring approximately (# _____)
5	or as per record title; including all buildings, structures, component parts, and all installed, built-in, permanently attached improvements, together
6	with all fences, security systems, all installed speakers or installed sound systems, all landscaping, all outside TV antennas, all satellite dishes,
7	all installed and/or built-in appliances, all ceiling fans, all air conditioning or heating systems including window units, all bathroom mirrors, all
8	window coverings, blinds and associated <u>coverings included but not limited to blinds, drapes, curtains, window shades, window coverings, all</u>
9	<u>associated window covering</u> hardware, all shutters, all flooring, all carpeting, all cabinet tops, all cabinet knobs or handles, all doors, all door
10	knobs- <u>doorbells</u> or handles, all windows, all roofing, all electrical systems, <u>all installed security systems, installed generators, attached television</u>
11	<u>mounts, gas logs,</u> and all installed lighting fixtures, chandeliers and associated hardware, other constructions permanently attached to the ground.
12	If owned by the SELLER prior to date of this Agreement, standing timber, unharvested crops and ungathered fruits of trees on the property shall
13	be conveyed to the BUYER. The following movable items here remain with the property, but are not to be considered as part of the Sale Price
14	<u>are transferred without any warranty</u> and have no value: _____
15	_____
16	_____
17	_____
18	_____
19	_____
20	_____
21	_____
22	_____
23	_____
24	_____
25	_____ All items listed herein are included in the property sold no matter how they are attached or installed, provided that
26	any or all of these items are in place at the time of signing of this Agreement to Buy or Sell (the "Agreement"), unless otherwise stated herein.
27	(All of the above contained in lines 5-2 through 25 are collectively referred to herein as the "Property.") The following items are excluded from
28	the Property sold:

The Property Description includes the detail of the land, structures and component parts of the structures being sold. Component parts include all installed, built-in, or permanently attached improvements. See La. Civ. Code art. 466. Included on lines 4 through 13 is a list of common items considered to be component parts and included with Property being sold.

New items or clarified items that are considered component parts and will be sold with the Property (unless excluded) include:

- a. all window coverings included but not limited to blinds, drapes, curtains, window shades, window covering, all associated window covering hardware (lines 8-10)**
- b. doorbells (line 9)**
- c. all installed security systems, installed generators, attached television mounts and gas logs (lines 10-11)**

If the SELLER(S) want to keep any items listed in lines 5 through 13 they must list those items on Lines 28 through 31.

Moveable items, for example washers and dryers, are not included with the Property but SELLER(s) often leave these items on the Property after the sale. If these types of items are listed on lines 14-24, they are transferred at no value and as now noted, with no warranty from the SELLER(S) to the BUYER(S) and are included in the Property Description. See lines 13 through 14 and 25 through 27 of the 2022 Agreement.

D. Mineral Rights

33	MINERAL RIGHTS: If the SELLER transfers any mineral rights, they are to be transferred without warranty.
34	(_____)% of the mineral rights owned by the SELLER are to be reserved and retained by
35	the SELLER and the <u>The</u> SELLER shall waive any right to use the surface for any such reserved and retained mineral activity or use.
36	
37	<u>BUYER</u> _____ <u>SELLER</u> _____
38	
39	<u>BUYER</u> _____ <u>SELLER</u> _____
40	

The information regarding mineral rights transfer or retention has not changed from the 2020 Agreement except to add a space for the BUYER(S) and SELLER(S) to sign in the Mineral Rights Block. The inclusion of the signature lines is to ensure the BUYER(S) and SELLER(S) are aware of the retention (or transfer) of the mineral interest.

E. Deposit

110	DEPOSIT: Upon acceptance of this offer, or any attached counter offer, the SELLER and the BUYER shall be bound by all terms and conditions
111	of this Agreement, and the BUYER or the BUYER'S agent shall deliver within 72 hours, upon notice of acceptance of the offer, the BUYER'S
112	deposit (the "Deposit") in the amount of: _____ (\$ _____) or: _____ (_____ %) of the Sale Price to be
113	paid in the form of: ¶
114	<input type="checkbox"/> Cash: _____ (\$ _____) → <input type="checkbox"/> Certified Funds: _____ (\$ _____) ¶
115	<input type="checkbox"/> Check: _____ (\$ _____) → <input type="checkbox"/> Electronic Transfer (EFT): _____ (\$ _____) ¶
116	<input type="checkbox"/> <u>No Deposit</u> ¶

1. No Deposit - In some property sales, a deposit is not required. A check box to allow for a choice of no deposit has been added. (line 116)

117	The Deposit shall be held by: <input type="checkbox"/> Listing Broker <input type="checkbox"/> Selling Broker <input type="checkbox"/> <u>Third Party Other</u> → _____ ¶
-----	---

2. Other party holding deposit - This deposit can be held by Listing Broker, Selling Broker, or some other company such as a title company. A check box for "other" which would include any person or company other than the Listing or Selling Broker has been added. (line 117)

119	DEPOSIT HELD BY THIRD PARTY: Louisiana Administrative Code Article Title 46, Part LXVII Section 2717 requires that funds received
120	in a real estate sales transaction shall be deposited in the appropriate sales escrow checking account, rental trust checking account
121	or security deposit trust checking account of the listing or managing broker ("Broker") unless all parties having an interest in the
122	funds have agreed otherwise in writing. I agree to have the Deposit related to this transaction to be held by a third party and not in a
123	sales escrow account maintained by the Broker. I understand that the Louisiana Real Estate Commission may not have jurisdiction
124	over those third parties holding the funds. I have read the attached addendum and acknowledge the Broker is not legally required to
125	disburse a security deposit in accordance with LAC 46: LXVII.2901 when a third party holds the Deposit. ¶
126	¶
127	BUYER: _____ → _____ → _____ → _____ → SELLER: _____ ¶
128	<u>BUYER</u> → → → → → → → → <u>SELLER</u> → → → → → → → → ¶
129	<u>BUYER</u> → → → → → → → → <u>SELLER</u> → → → → → → → → ¶
130	<u>BUYER</u> → → → → → → → → <u>SELLER</u> → → → → → → → → ¶

The notice regarding funds has not been changed except to add additional signature lines for the multiple BUYER(S) and SELLER(S).

F. Due Diligence and Inspection Period

The most substantial changes to the Agreement are in the Due Diligence and Inspection Period Sections.

1. Time Period for Inspection

~~▪ The BUYER shall have an inspection and due diligence period of (_____) calendar days, commencing the first day after acceptance of this Agreement wherein, the BUYER may, at the BUYER'S expense, have any inspections made by experts or others of his choosing. Such physical inspections may include, but are not limited to, inspections for termites and other wood destroying insects, and/or damage from same, molds, and fungi hazards, and analysis of synthetic stucco, drywall, appliances, structures, foundations, roof, heating, cooling, electrical, plumbing systems, utility and sewer availability and condition, out buildings, and square footage. Other due diligence by the BUYER may include, but is not limited to investigation into the property's school district, insurability, flood zone classifications, current zoning and/or subdivision restrictive covenants and any items addressed in the SELLER'S Property Disclosure Document. All testing shall be nondestructive testing. The SELLER agrees to provide the utilities for inspections and immediate access. Inspection period will be extended by the same number of days that the BUYER is not granted immediate access to the property or all utilities are not provided by the SELLER. If the BUYER is not satisfied with the condition of the Property or the results of the BUYER'S due diligence investigation, the BUYER may choose one of the following options within the inspection and due diligence period.¶~~

183 ~~▪ ¶~~
184 ~~DUPLICATE PERIOD AND INSPECTION PERIOD. ¶~~
185 ~~if acceptance of this Agreement occurs, the BUYER shall have a Due Diligence and Inspection Period (hereinafter "DDI Period")~~
186 ~~commencing on the first day after acceptance of this Agreement and expiring (# ; _____) calendar days~~
187 ~~after commencement OR upon the date and time the BUYER'S Request to the SELLER is received as set forth in line 216 whichever is~~
188 ~~earlier. The SELLER agrees to provide the utilities for any due diligence and inspections and immediate access to the Property. The inspection~~
189 ~~and due diligence period will be extended by the same number of days that the BUYER is not granted immediate access to the Property or all~~
~~utilities are not provided by the SELLER. ¶~~

Under this new provision, the Due Diligence and Inspection Period is called the “DDI Period.” The DDI Period commences on the first day after acceptance of the Agreement. The DDI ends or terminates on one of the following dates, *whichever is earlier*:

- (1) on (fill in amount of days (#)) calendar days after commencement OR
- (2) upon the date and time the Buyer’s Request to the Seller expires

This is a significant change. When the BUYER(S) make a request of the SELLER(S) for repairs to the Property (BUYER Request), the DDI period terminates. The BUYER(S) may not make further inspections of the property at this point. It is intended that BUYER(S) will now only make one single request for repairs which will include all repairs the BUYER(S) are requesting the SELLER(S) to make, i.e., no serial requests, and this must be submitted to the SELLER(S) before the expiration of the DDI Period. For example, if the Agreement states the BUYER(S) have 20 calendar days after commencement of the Agreement to conduct their due diligence and inspections and the BUYER(S) make a written request for roof repairs on day 5 of the DDI period, the DDI Period terminates and the process described in lines 215 through 251 begins.

2. Effect of Buyer's Failure to Timely Provide Written Termination

191 ~~Effect of BUYER'S Failure to Timely Provide Written Termination or BUYER'S Request:~~ Failure of the BUYER to timely provide written
192 notice of termination or a written BUYER'S Request as described in lines 202 through 250 below prior to the expiration of the DDI Period shall
193 be deemed as acceptance by the BUYER of the Property's current condition.¶

This section has not substantially changed. If the DDI Period expires without the BUYER(S) either terminating the Agreement (before the expiration) or making a written request for repairs, the BUYER(S) will be deemed to have accepted the Property's current condition, and the transaction will move forward toward closing. The 2019 Agreement contains this concept on page 5, lines 197 through 200. The 2022 Agreement retains the concept and now spells out that inaction of the BUYER(S) means both acceptance of the Property's current condition means that the transaction will move forward.

G. DDI Period Activities

195 ~~DDI Period Activities:~~ During the inspection and due diligence period the BUYER may, at the BUYER'S expense, have any inspections made
196 by experts or others of his choosing. Such physical inspections may include, but are not limited to, inspections for termites and other wood
197 destroying insects, and/or damage from same, molds, and fungi hazards, and analysis of synthetic stucco, drywall, appliances, structures,
198 foundations, roof, heating, cooling, electrical, plumbing systems, utility and sewer, including but not limited to septic tanks and pump grinder
199 systems availability and condition, out-buildings, and square footage. Other due diligence by the BUYER may include, but is not limited to
200 investigation into the Property's school district, insurability, flood zone classifications, current zoning and/or subdivision restrictive covenants⁺
201 and any items addressed in the SELLER'S Property Disclosure Document. All testing shall be nondestructive testing.¶

During the DDI Period the BUYER(S) may conduct any nondestructive testing and due diligence review of the Property that the BUYER(S) would like. The DDI Period nondestructive testing and inspections are at the BUYER(S) expense, unless otherwise agreed upon by the parties. The above list is an illustrative and not exclusive list of physical inspections and due diligence the BUYER(S) may conduct. This list appears on page 5, lines 167 through 175 of the 2019 Agreement and is not new.

202 ~~BUYER'S OPTIONS PRIOR TO THE EXPIRATION OF THE DDI PERIOD:~~ If the BUYER is not satisfied with the condition of the Property or
203 the results of the BUYER'S due diligence or investigation, the BUYER may choose one of the following options prior to the expiration of the DDI
204 Period.¶

Before the expiration of the DDI Period, the BUYER(S) has the same two options as in the 2019 Agreement (page 5, lines 182 through 186) if the BUYER(S) is not satisfied with the condition of the Property. However, the 2019 Agreement states when the inspection and diligence BEGINS but the 2022 Agreement states when the inspection and due diligence begins and ENDS as previously explained.

208 ~~A.~~ The BUYER may elect, in writing, to terminate the Agreement and declare the Agreement null and void. ~~or~~¶
209 ¶
210 Effect of the BUYER'S Termination the Agreement pursuant to Option 1: If the BUYER elects to terminate this Agreement in writing, the
211 Agreement shall be automatically ipso facto null and void with no further action required by either party except for return of Deposit to the
212 BUYER.¶

1. Option 1

The BUYER(S) for whatever reason or no reason at all may elect in writing to terminate the Agreement. The Agreement is then automatically null and void except for return of the Deposit. The 2019 Agreement provides this option and the effect of this action on page 5, line 182.

216 [A → The BUYER may present a single, complete written list to the Seller of the deficiencies and desired remedies \("BUYER'S Request"\). ¶](#)

2. Option 2

The BUYER(S) can also make a written request that the SELLER(S) make repairs to the Property. This is called the BUYER'S Request. Option 2 appears on page 5, line 184 of the 2019 Agreement.

However, the 2022 Agreement language is also intended to clarify that only one single list of demands/requests will be submitted by the BUYER(S) to the SELLER(S). The BUYER(S) cannot submit multiple lists of demands/requests to the SELLER(S), for example on written request for roof repair, then a second written request for termite repair. The BUYER'S Request must be **one** list. If the BUYER(S) select Option 2 and submits a written BUYER'S Request, the following process applies.

a. SELLER'S Response to BUYER'S Request

220 [1 → \(a\) → SELLER'S Response to BUYER'S Request: If provided a BUYER'S REQUEST, the SELLER shall respond in writing as to](#)
221 [the SELLER'S willingness to or refusal to remedy any deficiencies identified in the BUYER's Request. Seller's written response shall](#)
222 [be provided to the BUYER within 72 hours of receipt of the BUYER's Request \("SELLER'S Response"\). ¶](#)

After receipt of the BUYER'S Request, the SELLER(S) have 72 hours to respond in writing. This is called the SELLER'S Response.

In the SELLER'S Response, the SELLER(S) may respond with whether the SELLER(S) is willing to remedy all, some or none of the BUYER(S) claimed deficiencies or necessary repairs specified in the BUYER'S Request.

These concepts appear on page 5, lines 184 through 186 in the 2019 Agreement.

b. Effect of SELLER(S) failure to timely respond to BUYER'S Request

224 [\(b\) → Effect of SELLER'S Failure to Timely Respond to the BUYER'S Request: If the SELLER fails to timely respond to the](#)
225 [BUYER'S Request in writing within the required time frame, then the BUYER shall have 72 hours from when the SELLER'S Response](#)
226 [was due to notify the SELLER in writing that the BUYER will: ¶](#)
227 ¶
228 [\(i\) → accept the Property in its current condition; or ¶](#)
229 [\(ii\) → elect to terminate this Agreement. ¶](#)

If the SELLER(S) fail to timely respond to the BUYER'S Request, the BUYER(S) have two choices:

- i. Accept the Property in its current condition, or
- ii. Terminate the Agreement.

The BUYER(S) should provide written notice to the SELLER(S) of their election.

c. Effect of the BUYER’S failure to timely respond to SELLER’S failure to respond to BUYER’S Request

231	<u>(c) → Effect of the BUYER’S Failure to Timely Respond to SELLER’S Failure to Timely Respond: If the BUYER fails to provide</u>
232	<u>this notice (lines 224 through 229) in writing within the required time frame, the Agreement shall be automatically, with no further action</u>
233	<u>required by either party, ipso facto null and void except for return of Deposit to the BUYER. ¶</u>

This language is new and is intended to clarify what the BUYER(S) options are when SELLER(S) fails to respond at all or fails to timely respond to the BUYER(S) request.

If the BUYER(S) fail to respond to the SELLER’S failure to provide a timely written SELLER’S Response to their BUYER(S) Request, the Agreement is automatically null and void except for the return of the Deposit.

This concept appears on page 5, lines 192 through 195 of the 2019 Agreement.

d. BUYER’S Response to SELLER’S Response and effect of failure to respond

235	<u>2. → (a) → BUYER’S Response to SELLER’S Response: Should the SELLER in the SELLER’S Response refuse to remedy any or</u>
236	<u>all the deficiencies listed by the BUYER, then the BUYER shall have 72 hours from receipt of the SELLER’S Response or 72 hours</u>
237	<u>from the date that the SELLER’S Response was due, whichever is earlier, to take one of the following actions: "BUYER’S Response".</u>
238	<u>The BUYER’S Response shall be provided to the SELLER in writing. ¶</u>
239	¶
240	<u>(i) → accept the SELLER’S Response to the BUYER’S Request, or¶</u>
241	<u>(ii) → accept the Property in its current condition, or¶</u>
242	<u>(iii) → to elect to terminate this Agreement in writing which shall automatically make the Agreement ipso facto null and void with no</u>
243	<u>further action required by either party except for the return of Deposit to the BUYER. ¶</u>
244	¶
245	<u>(b) → Effect of BUYER’S Failure to Timely Respond to SELLER’S Response: If the BUYER fails to respond to the SELLER’S</u>
246	<u>Response within the time specified, then the Agreement shall be automatically, with no further action required by either party, ipso</u>
247	<u>facto null and void except for return of Deposit to the BUYER. ¶</u>

Once the SELLER(S) submit their response (SELLER’S Response to the BUYER’S Request) or if the SELLER(S) do not respond, the BUYER(S) have the following choices:

- a. Accept the SELLER(S) Response [agree that whatever repairs or allowances / price reductions offered by the SELLER(S) is acceptable];
- b. Accept the Property in its current condition [no repairs or concessions by the SELLER(S)]; or
- c. Terminate the Agreement

The 2019 Agreement contains this concept on page 5, lines 188 through 192. The language is largely the same with a few clarifications.

If the BUYER(S) do not respond to the SELLER'S Response, the Agreement will be null and void except for return of the Deposit.

249 Upon receipt of the written BUYER'S Response to the SELLER'S Response, the SELLER shall not be required to remedy any additional
250 deficiencies requested by the BUYER unless the parties enter into an additional agreement in writing.

This language is new. The SELLER(S) are not required to remedy any other deficiencies to the Property except as requested in the BUYER'S Request as agreed to in the SELLER'S Response (absent other agreement or litigation.)

A flow chart detailing the BUYER(S) and SELLER(S) options at expiration of the DDI Period is included on Page 10 of these materials.

H. Home Service/Warranty

263 **HOME SERVICE/WARRANTY:** ¶
264 A home service/warranty plan will / will not be purchased at the closing of sale at a cost not to exceed
265 (\$ _____) to be paid by the BUYER / the SELLER. Home Service Warranty will be
266 ordered by _____ → _____ ¶
▪ ~~It is understood that the Agent/Broker may receive compensation from the home warranty company for actual services performed.~~ ¶
267 The home service warranty plan does not warrant pre-existing defects and options, and does not supersede or replace any other inspection
268 clause or responsibilities. If neither the BUYER nor the SELLER accepts the home service warranty plan, they declare that they have been made
269 aware of the existence of such a plan, and further declare that they hold the Broker and Agents harmless from any responsibility or liability due
270 to their rejection of such a plan. ¶

This information has been changed to delete the former reference to Agent/Broker compensation.

BUYER OPTION FLOWCHART

