

# Notice of Compliance with the Homebuyer Protection Act (HPA)(ORS 87.007)

In compliance with Oregon law, the below mentioned **Seller** has selected to comply with the requirements of ORS 87.007.

<b>1. ADDRESS or DESCRIPTION OF PROPERTY</b>		
Address or Location	City, State	Zip Code
<b>2. DATE OF PURCHASE (CHOOSE ONE)</b>		
A. <input type="checkbox"/> ORS 87.007 (which includes the provisions listed in part B of this form) does not apply to the sale of the above described <b>Property</b> .		
B. <input type="checkbox"/> ORS 87.007 applies to the sale of the above described <b>Property</b> . <b>Seller</b> complied with ORS 87.007(2) by (check which <u>one</u> applies):		
1. <input type="checkbox"/> <b>Title Insurance</b> as provided for in ORS 87.007(2)(a).		
2. <input type="checkbox"/> <b>Retained in Escrow</b> not less than 25 percent of the sale price as provided for in ORS 87.007(2)(b).		
3. <input type="checkbox"/> <b>Bond or Letter of Credit</b> as provided for in ORS 87.007(2)(c).		
4. <input type="checkbox"/> <b>Written Waivers</b> received from every person claiming a lien as provided for in ORS 87.007(2)(d).		
5. <input type="checkbox"/> <b>Completed Sale After the Deadline</b> for perfecting liens as provided for in ORS 87.007(2)(e).		
<b>3. SELLER INFORMATION</b>		
Company Name (if applicable)		
Agent of Company or Individual Seller		
Title of Company Agent (if applicable)		

Signature

Date

\_\_\_\_\_

<b>4. BUYER INFORMATION</b>
Buyer Name
Agent of Company or Individual Buyer
Title of Company Agent (if applicable)

Signature

Date

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# Instructions

These instructions are provided to assist sellers of residential property with the Oregon Homebuyer Protection Act (HPA), codified in ORS 87.007. The HPA protects residential property buyers against construction liens filed in county records after the sale of the property where such liens arise out of new construction, additions or remodeling within 90 days of the date of the sale.

## Disclaimer

These instructions do not constitute legal advice. For questions, please contact an attorney.

## Who must complete this form?

A residential property owner selling –

- A new single family residence, condominium unit or residential building (containing four or fewer dwelling units), or
- An existing single family residence, condominium unit or residential building (containing four or fewer dwelling units) that had at least \$50,000 worth of improvements, additions or remodeling completed within 90 days of the date of the sale.

## Instructions for Section A

If the property fits the description above, but the seller knows that no person may file a lien against the property, the seller may check the box in Section A of the form.

## Instructions for Section B

If the seller knows that it is possible for someone to file a lien against the property, the seller must check Section B of the form and at least one corresponding box that applies to the action the seller took, or will take, to comply with the HPA.

**Box 1 Title Insurance** – The seller has or will purchase or provide an owner's extended coverage title insurance policy or equivalent that does not except filed or unfiled claims of lien. A standard title insurance or a lender's title insurance policy may not be sufficient. See ORS 87.007(2)(a).

**Box 2 Retain in Escrow** – The seller will arrange to retain in escrow an amount of not less than 25 percent of the sales price of the property. The escrow will pay any claims of lien not paid by the seller filed after the date of the sale. Any unused funds will be released to the seller upon fulfillment of the following conditions:

- Claims of lien have not been filed against the property **and** at least 90 days have passed since the date the construction was completed.
- One or more claims of lien were filed against the property, at least 135 days have passed since the date the liens were filed, **and** the liens were released or waived. See ORS 87.007(2)(b).

**Box 3 Bond or Letter of Credit** – The seller has or will maintain a bond or letter of credit. A Construction Contractors Board bond, required for licensure under ORS chapter 701, is not sufficient. See ORS 87.007(2)(c).

**Box 4 Written Waivers** – The seller has or will obtain written waivers from every subcontractor or supplier who claims liens of \$5,000 or more. Provide copies of the waivers to the buyer no later than the date of the sale. (The CCB recommends consulting an attorney for assistance with preparing forms for waivers). See ORS 87.007(2)(d).

**Box 5 Completed Sale after the Deadline** – The sale will not be completed until at least 75 days after the completion of all construction. See ORS 87.007(2)(e).

## Additional Instructions

The seller and the buyer must sign and date the form on or before the closing date of the sale. Both parties should retain a copy of the form. **Compliance with the HPA is the sole responsibility of the seller.**