

**Notice of Compliance with the
Homebuyer Protection Act (HPA)
Chapter 778, Oregon Laws 2003 (HB 3539)**

In compliance with Oregon law, the below mentioned **Seller** hereby describes the method that the **Seller** has selected to comply with the requirements of section 2 (2) of chapter 778 Oregon Laws 2003 (HB 3539), referred to below as "HPA."

I.

Address or description of _____
Property being sold: _____

Date of purchase: _____, 2_____

(Check A or B)

II.

A. Section 2 (2) of the HPA (which includes the provision listed in part B of this form) does not apply to the sale of the above described **Property**.

OR

- B. Section 2 (2) of the HPA applies to the sale of the above described **Property**. **Seller** complied with section 2 (2) of the HPA by (check which one applies):
1. **Title Insurance** as defined in section 2 (2) (a) of the HPA.
 2. **Retained in Escrow** not less than 25 percent of the sale price described in section 2 (2)(b) of the HPA.
 3. **Bond or Letter of Credit** as defined in section 2 (2)(c) of the HPA.
 4. **Written Waivers** received from every person claiming a lien as described in section 2 (2)(d) of the HPA.
 5. **Completed Sale After the Deadline** for perfecting liens as described in section 2 (2)(e) of the HPA.
 6. **Waiver** from **Buyer** in the form provided by section 9 of the HPA as described by section 2 (2)(f) of the HPA. (This waiver must be on a separate form. This form does not constitute the waiver itself.)

III.

SELLER:

Company Name (if applicable)

Agent of Company or Individual Seller

Title of Company Agent (if applicable)

(Signature)

Date Delivered: _____

BUYER:

Name of Buyer

Additional Names (if applicable)

(Signature)

Date Received: _____

Instructions for Completion of *Homebuyer Protection Act of 2003* *Notice of Compliance*

These instructions are provided to assist sellers of residential property in complying with the Oregon Home Buyer Protection Act of 2003 (HPA). 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 unfilled claims of lien. A standard title insurance or a lender's title insurance policy may not be sufficient.

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 was filed against the property, at least 135 days have passed since the date the liens were filed, **and** the liens were released or waived.

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.

Box 4 Written Waivers – The seller has or will obtain written waivers from every subcontractor or supplier who claim 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.)

Box 5 Completed Sale after the Deadline – The sale will not be completed until at least 75 days after the completion of all construction.

Box 6 Waiver from Buyer – The seller will obtain a signed waiver from the buyer stating that the buyer waives the seller's requirement to provide one of the methods of lien protection. The waiver must be on a separate form. (See HPA section 9 (2) for waiver requirements. A *Waiver of HPA Protection* form is also available on the CCB web site.)

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.**