Information concerning the use of *COVID-19 Addendum (TXR-2520)*

Note: Use of the *COVID-19 Addendum* is not mandatory and may not be appropriate in all circumstances. Depending on the goals and needs of the parties, use of an existing form may be more appropriate when dealing with COVID-19-related issues. For example:

- If the parties want to negotiate an extension to the closing date to a definite date, they may use the *Amendment* (TXR-1903) form, filling in the new date in paragraph 3.
- If the parties want to negotiate an extension to the time the buyer has to obtain buyer approval under the *Third Party Financing Addendum*, they may also use the *Amendment* (TXR-1903) form, filling in the new date in paragraph 7.
- If the parties want to terminate the contract, they may use the *Release of Earnest Money* (TXR-1904) form, which releases the parties from any and all liability under the sales contract. The parties may also agree how the earnest money will be dispersed.

The COVID-19 pandemic is causing unprecedented impact and uncertainty for Texas real estate transactions. Voluntary and mandatory quarantines and the closure of government and private offices may impede the ability of parties to successfully fund and close transactions.

To address these uncertainties, Texas REALTORS® has created the *COVID-19 Addendum* (TXR-2520). The *COVID-19 Addendum* provides for a 30-day extension of the closing date in a residential sales contract if the closing cannot occur due to a voluntary or mandatory COVID-19 quarantine or closure. If the closing cannot occur after the 30-day extension, either party may terminate the sales contract with the earnest money being returned to the buyer. The *COVID-19 Addendum* also permits either party to terminate the sales contract, with the buyer receiving the earnest money, if the buyer is unable to fund their loan beyond the time provided in the *Third Party Financing Addendum* due to loss of income from a COVID-19-related issue.

The 30-day extension under the addendum is available if the delay in closing is due to a quarantine or closure that affects the buyer, seller, or other service provider, including, but not limited to, a title company, lender, inspector, or appraiser.

The *COVID-19 Addendum* may be used as an addendum to a new contract or to amend a currently executed contract. The addendum may be used in conjunction with the following residential sales contracts:

- *One to Four Family Residential Contract (Resale)* (TXR-1601)
- *New Home Contract (Incomplete Construction)* (TXR-1603)
- *New Home Contract (Completed Construction)* (TXR 1604)
- *Residential Condominium Contract (Resale)* (TXR-1605)
- *Unimproved Property Contract* (TXR-1607)
- *New Residential Condominium Contract (Completed Construction)* (TXR-1608)
- *New Residential Condominium Contract (Incomplete Construction)* (TXR-1609)

Due to the uncertainty caused by COVID-19, buyers and sellers should be especially attentive to timelines in the contract in order to be in the best position to perform their contractual obligations or extend the deadlines as necessary.

COVID-19 Addendum

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TO CONTRACT CONCERNING THE PROPERTY AT

_____
(Street Address and City)

A. **Automatic Delay:** Notwithstanding any other provisions of the contract, Seller and Buyer agree that in the event the closing as defined in Paragraph 9 of the contract is not able to be performed due to a voluntary or mandatory SARS-CoV-2 (COVID-19) virus quarantine or closure, either party may, by providing notice to the other party, extend the Closing Date for a period of thirty (30) days. If any portion of the closing is still not able to be performed upon the expiration of the extension, either party may, by providing notice to the other party, terminate the contract without any further liability to the other party, and the earnest money will be refunded to Buyer.

B. Seller and Buyer agree, notwithstanding that Buyer may have removed their financing contingency, that if Buyer is not able to fund their loan and close due to Buyer's loss of income from COVID-19 related issues, then either party may terminate the contract and earnest money will be refunded to the Buyer.

C. The parties will exercise best efforts to utilize remote services to perform obligations under the contract that otherwise cannot be performed in person due to a voluntary or mandatory COVID-19 virus quarantine or closure.

Buyers and Sellers are advised to CONSULT AN ATTORNEY BEFORE SIGNING. Texas Real Estate Commission rules prohibit real estate license holders from giving legal advice. This addendum is not a mandatory Texas Real Estate Commission form.

NOTE: This addendum changes the obligations of the Buyer and Seller as follows: (1) possible extension of the Closing Date in Paragraph 9 of the contract; and (2) possible termination of the contract beyond terms provided in Paragraph 2 of the Third Party Financing Addendum.

Buyer	Date	Seller	Date
Buyer	Date	Seller	Date