

January 1, 2025 Standard Forms Updates

November 25, 2024

The NVAR Board of Directors has approved the below new forms and forms changes, as proposed by the NVAR Standard Forms Committee. The changes will be effective January 1, 2025, and will introduce the new form K1404 – Tenant’s Broker Compensation Agreement.

Note: All January 2025 versions of the forms were updated administratively to increase lines for party names and to remove “Fax” from any contact information. These clerical updates will be applied to all forms moving forward.

The changes are as follows:

1. [K1336 - EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT, K1337 – EXCLUSIVE AGENCY LISTING AGREEMENT, & K1355 - EXCLUSIVE RIGHT TO SELL UNIMPROVED LAND.](#) These forms were updated to reflect the following changes:

- a. Broaden options for Broker Compensation.
- b. Remove “Variable Rate Compensation” option.
- c. **PRACTICE TIP:** You do not need to update your active listing agreements due to this change.

2. [K1338 – EXCLUSIVE RIGHT TO REPRESENT BUYER.](#) This form was updated to:

- a. Broaden options for Broker Compensation.
- b. **PRACTICE TIP:** You do not need to update your active agreements due to this change.

3. [K1281 – EXCLUSIVE RIGHT TO LEASE.](#) This form was updated to:

- a. Broaden options for Broker Compensation.
- b. Remove “Variable Rate Compensation” option.
- c. Clarify that Tenant’s Broker Compensation, if any, is optional.
- d. Add option for Additional Listing Broker Compensation for Unrepresented Tenant.
- e. Authorize Broker to collect first full month’s rent and credit that towards Broker Compensation and any compensation to a tenant’s broker.
- f. **PRACTICE TIP:** You do not need to update your active agreements due to this change.

4. [K1282 - EXCLUSIVE RIGHT TO REPRESENT TENANT AGREEMENT.](#) This form was updated to:

- a. Include ratification of lease to term end date.
- b. Broaden options for Broker Compensation.
- c. Formatting changes.

d. **PRACTICE TIP:** You do not need to update your active agreements due to this change.

5. **K1399 - RELEASE OF BROKERAGE REPRESENTATION AGREEMENT**. This form was updated to include options for the parties to agree on whether:

- a. The brokerage compensation obligations are released; and
- b. To keep or renegotiate the early termination fee.

6. **K1353 APPRAISAL CONTINGENCY: No Financing Contingency**

- a. Removed “or Void Contract” from options A and B as there is no automatic right to void.

7. **K1354 - VRLTA LEASE**. This form was updated to:

- a. Paragraph 1 – Include definition of “Rent” from VRLTA and clarified how it is payable.
- b. Paragraph 1 – Include all potential fees in first paragraph, in accordance with VRLTA.
- c. Paragraph 2 – Include definition of “Premises” from VRLTA – Clarified that it includes the grounds.
- d. Paragraph 6 – Expand the manner in which Rent is payable to Landlord.
- e. Paragraph 10 – Reduce the # of occupants to 6.
- i. Note that “Tenants” do not include occupants, so they do not need to be included in this section.
- f. Paragraph 12 – Clarify entire “Utilities and Services” paragraph; specify what Tenant is responsible for paying “Tenant Paid” vs. what is included in “Landlord-Paid” Rent.
- g. **PRACTICE TIP:** Legal Hotline Question of the Month – Lease Renewals.

8. **K1008 – RENTAL APPLICATION**.

- a. Add optional provision for Tenant to request contribution to Tenant’s brokerage compensation.

9. **K1308 – BUYER’S ACKNOWLEDGMENT OF POTENTIAL ADVERSE CONSEQUENCES**.

- a. Include Buyer’s waiver of rights to cancel under the new VA Resale Disclosure Act.

10. **K1400 – SOLAR PANEL ADDENDUM TO LISTING AGREEMENT**.

- a. Change Solar Panel “Manufacturer” to “Installer.”
- b. Clarify that if the Solar Panel is subject to more than one Solar Loan, the parties must execute separate addenda for each loan.

11. **K1401 - SOLAR PANEL CONTINGENCY ADDENDUM TO SALES CONTRACT**.

- a. Change Solar Panel “Manufacturer” to “Installer.”
- b. Clarify that if the Solar Panel is subject to more than one Solar Loan, the parties must execute separate contingencies for each loan.

c. Clarify that if buyer fails to assume Solar Loan, contract is automatically void, unless parties otherwise agree in writing. This protects both parties.

12. **NEW FORM – K1404 - TENANT BROKER’S COMPENSATION AGREEMENT.** This new form serves as a formal mechanism in leasing transactions to formalize any compensation paid by Landlord or Listing Broker.

a. This form is designed to be flexible and for use by either side prior to lease ratification. For example, the Tenant Agent could present it to the Listing Agent or landlord prior to the tenant’s submission of a rental application, or the Listing Agent could present it to a tenant and their agent when they come to tour the property.

b. This form is NOT an addendum to the Lease. It is a separate agreement.

c. This form is not needed if there is no Tenant Broker Compensation (TBC).

d. HOW TO USE:

i. Top: Identify Tenant’s Brokerage. This form only applies when the tenant is represented.

ii. Paragraph 1: Identify who, if anyone, will be paying TBC – either the Listing Brokerage or the Landlord. The chosen payor will be a party to the agreement along with the payee (Tenant’s Brokerage).

iii. Paragraph 2: In clear, ascertainable numbers, identify the amount that the party selected in Paragraph 1 will be paying to the Tenant’s Brokerage.

iv. Signature lines: Whoever is selected in Paragraph 1 signs the agreement. The Tenant’s Brokerage always signs.

e. **PRACTICE TIP:** Do not forget to ensure this form aligns with the terms of your listing agreement!

f. **PRACTICE TIP #2:** Keep in mind NAR’s Code of Ethics, Article 16-16 which states: “REALTORS®, acting as subagents or buyer/tenant representatives or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker’s offer of compensation to subagents or buyer/tenant representatives or brokers nor make the submission of an executed offer to purchase/lease contingent on the listing broker’s agreement to modify the offer of compensation.”

13. **ADMINISTRATIVE CHANGE ONLY –K1321 – RESIDENTIAL SALES CONTRACT& K1209 – SALES CONTRACT FOR UNIMPROVED LAND.** These forms were updated to correct a typo. You do not need to update your active contracts or offers due to this change.