



MFM Bulletin: 019-2025

Date: August 7, 2025

Subject: Critical Review of Purchase Agreements and Disclosure Notes

As part of our commitment to accuracy and compliance, it is crucial that **every Purchase Agreement** is thoroughly reviewed upon receipt and uploaded to the loan file. This step is essential not only for contractual accuracy but also for ensuring that we meet our legal and ethical obligations to disclose material facts.

Why This Matters:

- **Identifies Disclosure Requirements Early:** Reviewing the agreement allows you to pinpoint any potential fees that are to be paid by the buyer, and disclosing these when known helps to avoid any unnecessary cures.
- **Prevents Delays:** Flagging items early helps avoid last-minute surprises that can delay closing or create liability.
- **Ensures Compliance:** Many local, state, and federal regulations require accurate and timely disclosures. Missing or incomplete disclosures can result in penalties or litigation.

What You Should Do:

1. Review the Purchase Agreement in Full

Pay close attention to:

- Realtor Commissions to be paid by Buyer or Seller
- Transfer taxes and who is to pay them
- Any additional fees required by the Realtor or HOA

2. Make Detailed Notes in the File

Immediately document:

- Items that may require disclosure (e.g., Realtor Commissions and who is responsible, Transfer taxes and who is responsible, additional Admin fees from the Realtor, HOA transfer or setup fees.)
- Any unusual terms or buyer requests that could impact disclosures

3. Consult When in Doubt

If you're uncertain whether something must be disclosed, **err on the side of caution** and consult a manager.



Additional Disclosure Instructions

- If the Purchase Agreement is received after the file is initially disclosed: A redisclosure task must be placed with specific notes listing the amount, Buyer agent or Seller agent fee paid by the buyer, Transfer taxes if paid by the buyer, additional Admin fees from the Realtor, HOA transfer or setup fees.) and the date of the Purchase Agreement or information received.
- By proactively reviewing agreements and maintaining accurate file notes, we protect our clients, ourselves, and our reputation.

Please ensure this becomes a standard part of your file setup process. If you have any questions, please reach out to Sarah Kopke, Disclosures and Closing Manager (sarah.kopke@memberfirstmortgage.com)

Thank you!