ROSS LAW | ROSS TITLE

# SPECIAL ASSESSMENTS

NABOR CONTRACT / PARAGRAPH 6

## THE BIG PICTURE

NABOR generally addresses association and governmentally imposed liens and special assessments in one place: Paragraph 6. Community Development District (CDD) assessments are addressed separately in Paragraph 5.

### 1 BEFORE THE EFFECTIVE DATE

The seller pays qualifying assessments that are already liens against the property and are certain as to the assessing entity, affected property, and amount, subject to the contract wording.

### 2 AFTER THE EFFECTIVE DATE: INSTALLMENTS

For a special assessment levied after the Effective Date that may be paid in installments, check the seller/buyer election. If left blank, the default is SELLER. If seller pays, the contract provides for payment in full at or before closing or a credit when association rules prevent payment.

### 3 UNDISCLOSED OR PENDING ASSESSMENTS: 1% RULE

For certain assessments pending as of the Effective Date that were not disclosed in writing and are not otherwise the seller's obligation, the buyer may terminate if the amount exceeds 1% of the price, unless the seller pays the excess. Check exact applicability and notice requirements.

## EXAMPLE: $750,000 PURCHASE PRICE

| $7,500 | $10,000 | $2,500 |
|---|---|---|
| 1% threshold | assessment | excess over 1% |

Under the applicable 1% provision, the seller can preserve the contract by paying the $2,500 excess; the buyer would remain responsible for the $7,500 portion.

## REALTOR TAKEAWAY

Confirm the contract form, assessment status, disclosure timing, installment election, and who pays. Do not import FAR/BAR rules into NABOR.



Educational summary of the video; consult the executed contract and current form language.