

§ 1710.106

24 CFR Ch. X (4-1-10 Edition)

purchaser any amount which remains from the payments made after subtracting 15% of the purchase price, exclusive of interest, or the amount of the seller's actual damages, whichever is the greater.

(iv) If a deed is not delivered within 180 days of the signing of the contract or if the necessary provisions are not included in the contract, the following statement shall be used in place of any other recision language:

Under Federal law you may cancel your contract or agreement of sale any time within two years from the date of signing.

(e) At the time of submission, the developer may indicate its intention to comply with the red printing by an illustration or by a statement to that effect.

(f) The "Date of This Report" shall be the date on which the Secretary allows the Statement of Record to become effective and shall not be entered until the submission has become effective.

(Sec. 1419, Interstate Land Sales Full Disclosure Act, 82 Stat. 590, 598; 15 U.S.C. 1718; sec. 7(d), Dept. of Housing and Urban Development Act, 42 U.S.C. 3535(d))

[45 FR 40489, June 13, 1980]

§ 1710.106 Table of contents.

(a) The second page(s) shall consist of a Table of Contents which lists the headings in the Property Report, the major subheadings, if any, and the page on which they appear. For example, the entry for Title and Land Use would appear as follows:

- Title and Land Use # Page #
- Method of Sale
- Encumbrances, Mortgages and Liens
- Recording the Contract and Deed
- Payments
- Restrictions on the Use of Your Lot
- Plat Maps, Zoning, Surveying, Permits and Environment

(b) Use of "You" and "We". At the end of the Table of Contents insert the following remark:

"In this Property Report, the words "you" and "your" refer to the buyer. The words "we", "us" and "our" refer to the developer."

§ 1710.107 Risks of buying land.

(a) The next page shall be headed "Risks of Buying Land" and shall contain the paragraphs listed below. However, paragraph (a)(2) of this section may be omitted if all improvements have been completed or if no improvements are proposed.

(1) The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

(2) Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

(3) Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.

(4) Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

(5) In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

(b) Warnings. If the instructions or the Secretary require any warnings to be included in the Property Report portion, the following statement shall be added beneath the "Risks of Buying Land" under a heading "Warnings":

"Throughout this Property Report there are specific warnings concerning the developer, the subdivision or individual lots. Be sure to read all warnings carefully before signing any contract or agreement."

Both the heading, "Warnings", and the statement shall be printed in capital letters and enclosed in a box.