



# WASHINGTON REALTORS®

## Legal Hotline Q&A of the Week

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### Question:

In the 22EF (Evidence of Funds addendum), section 1c, mid-paragraph, can you please clarify "and for which there is no contingency"? Does it refer to 22Q and 22B?

### Answer:

The language refers to any funds that buyer must pay at closing and for which buyer's obligation to pay those funds is already protected by another contingency. For example, buyer could have a Form 22B (home sale contingency) or Form 22Q (pending sale contingency) protecting buyer's obligations related to funds that will be generated from the sale and closing of real estate owned by buyer. Buyer could also have a Form 22A (financing contingency) protecting buyer's obligations related to funds that will be generated from buyer's financing. Those are typically the forms, from the statewide forms system, creating a contingency protecting buyer's financial obligations at closing. If buyer has any of those forms in the transaction, buyer should NOT use Form 22EF (Evidence of Funds addendum) to disclose buyer's reliance on the same source of funds. Said differently, if buyer has a Form 22B or 22Q protecting buyer's obligations related to funds coming from the sale of real estate, buyer should not disclose those same funds in the Form 22EF and if buyer has a Form 22A protecting buyer's obligations related to financed funds, buyer should not disclose those same funds in the Form 22EF.

It is possible, however, that buyer will be relying on funds from the sale of real property and include a Form 22B in the transaction while at the same time relying on a gift from a family member. In that case, buyer would include the Form 22B as it relates to the sale of the real estate and also include a Form 22EF, disclosing the gift funds.

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