

2016 AREA Purchase Contract Revisions

Backgrounder: What to Do When a Dower Release is Registered on Title

Form:

- Dower Consent and Acknowledgment form

Handling dower rights in the purchase contract:

Consistently, AREA's messaging to members has been to use the Dower Consent and Acknowledgment form when dower rights exist and to have the non-owner spouse sign the purchase contract. The addition of section 7 – Dower, to the purchase contract, brings increased focus to dower and a process for obtaining the Dower Consent and Acknowledgment form and a space for the non-owner spouse to sign the contract when dower rights exist.

When is the Dower Consent and Acknowledgment form not required?

The Dower Consent and Acknowledgment form and signature on the contract is not required when there is a registered release of dower rights on title as this indicates the non-owner spouse has released his/her dower rights in the property.

However, it is important to know that until title changes hands, a dower release can be revoked by the non-owner spouse. Therefore, the following clause has been added to the Dower Consent and Acknowledgment form:

Note:

This consent form is not required when there is an undischarged Release of Dower rights registered on title. However, the Dower Act allows for revocation of a Release of Dower Rights. Accordingly, legal advice is recommended where there is a Release of Dower Rights registered on title.

This clause serves as a reminder to REALTORS® that when a release of dower rights exists, the form is not needed and legal advice should be sought.

Dower situations can be very complicated. When dower rights exist, REALTORS® should always recommend clients – both sellers and buyers – get legal advice.