

LAWYERS LINK



FULL DISCLOSURE

Seller Disclosures Protect Both Buyers and Sellers

What Are Seller Disclosures?

Selling a property comes with legal obligations, including the duty to disclose certain details about the property to potential buyers. A seller's disclosure is a form that outlines a property owner's knowledge of any defects that may impact the property value or safety. These disclosures help

buyers make informed decisions and protect sellers from potential legal issues after the sale.

The specifics of a seller's disclosure vary by state. It's important to do your research on local regulations and check with your real estate agent who should be aware of and comply with local laws and regulations regarding seller disclosures.

Continued on next page



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Why Are Seller Disclosures Important?

Transparency

Disclosures promote transparency in real estate transactions, ensuring buyers are aware of potential problems.

Protection for Buyers

The seller disclosure reveals known issues and buyers can factor those into their decision-making process, potentially renegotiate the price, or even walk away from the deal if necessary.

Protection for Sellers

Disclosures can protect sellers from future legal disputes and lawsuits by demonstrating they have been upfront about the property's condition.

Building Trust

Open and honest disclosure fosters trust between buyers and sellers.

Does Selling As-Is Exempt Sellers From Disclosing Issues?

Selling a home as-is means the seller is offering the property in its current condition—with no repairs, upgrades, or credits to address any issues before closing. Even if you are selling a home as-is, it does not exempt sellers from their legal duty to disclose known problems.

Common Disclosures

Seller disclosures in real estate typically fall under the following categories:

Structural Issues

Covers any issues with the foundation, roof, walls, and any past repairs or renovations.

Mechanical Systems

Covers the condition of the home's essential systems, such as heating, ventilation, air conditioning, plumbing, and electrical systems.

Environmental Concerns

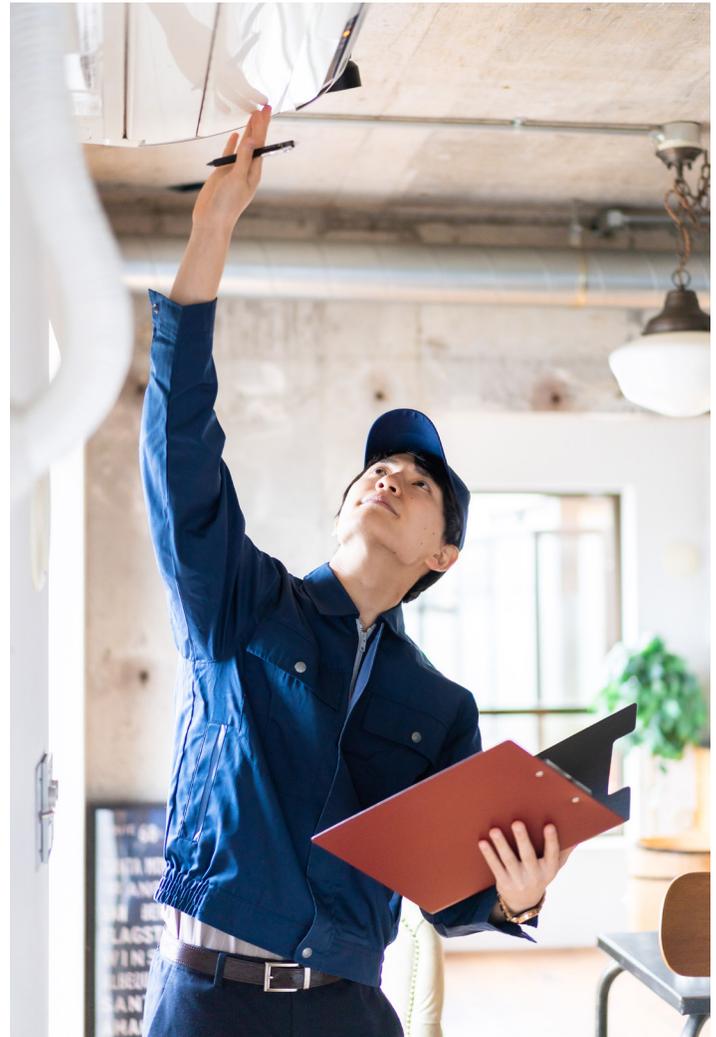
Covers any knowledge of environmental hazards on the property, such as lead-based paint, asbestos, or mold. You should also disclose if the property is located in a flood zone or where there are environmental risks.

Water Damage

Any past or present water damage from leaks, flooding, or other sources.

Pests and Infestations

Covers known issues with pests like termites or other infestations.



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Property History

This covers any past insurance claims, property line disputes, unresolved legal matters like liens or easements, and any other legal issues related to the property.

Natural Hazards

Covers any known natural hazards that could affect the property, such as earthquakes, wildfires, or sinkholes.

Other Relevant Information

This includes disclosures about zoning regulations, HOA information, unpermitted work, or building permits that are still outstanding.

Real estate transactions are built on trust between buyers and sellers. Seller disclosures play a crucial role in ensuring that both buyers and sellers are well-informed and protected throughout the process and are essential for a successful and ethical transaction.



MONTHLY INDUSTRY TERMS

Annual Percentage Rate (APR)

An interest rate reflecting the cost of a mortgage as a yearly rate. This rate is likely to be higher than the stated note rate or advertised rate on the mortgage, because it takes into account point and other credit cost. The APR allows home buyers to compare different types of mortgages based on the annual cost for each loan.

Discount Point

An additional charge made by a lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to one percent.

Easement

A non-possessory right to use all or part of the land owned by another for a specific purpose.

