



## **POLICY STATEMENT SELLER DISCLOSURE**

### **Background**

The Real Estate Seller Disclosure Law applies to the transfer of interest in real estate of one to four residential dwelling units, whether by sale, exchange, installment sales contract, lease with an option to purchase, grant, or transfer of interest of unit in a residential condominium cooperative. Sellers who intend to transfer any interest in real property will complete all applicable items in a property disclosure statement and deliver to the buyer a signed and dated copy prior to the signing of a written agreement by the seller and prospective buyer that would, subject to the satisfaction of any negotiated contingencies, require the prospective buyer to accept a transfer of the property.

A seller must disclose to a buyer all known material defects that are not readily observable. The disclosure statement is designed to assist the seller in complying with the disclosure requirements and to assist the buyer in evaluating the property being considered. The statement discloses the seller's knowledge of the condition of the property as of the date signed by the seller and is not a substitute for any inspections or warranties that the buyer may wish to obtain. This statement does not relieve the seller of the obligation to disclose a material defect that may not be addressed on the form.

### **PAR Position**

The Law provides that a seller *must* use *at least* the basic form established by law, but a seller is *permitted* to use a form that exceeds these minimums. PAR's disclosure statement exceeds the minimum requirements of the disclosure by including a number of additional questions, as do most other published disclosure forms.

The General Assembly has sought to amend the Law to address issues such as recent sewage sludge applications, agricultural zoning or use as a farming operation, location in a flood zone or wetlands area, and history as a methamphetamine laboratory.

On December 20, 2001, the State Real Estate Commission was empowered to revise the disclosure form. PAR believes that any amendments to the form should be addressed by the Commission, rather than the legislature.

*Approved by the PAR Board of Directors  
June 6, 2007*