

# Guide to Full Disclosure

## Legal

Recent legal decisions and new legislation provide that the seller has a responsibility for revealing to you the true condition of the property. The concept of selling a property "as is", with the buyer assuming all responsibility for determining the property condition, is not acceptable in the present marketplace. The sellers must disclose the known condition of the property to the buyer. This information should be made available to the buyer as soon as possible.

## All Systems Go

A basic assumption in every sale is that the house and the systems in the house are functional. For example, the roof will hold out the rain and sun, the hot water heater will provide hot water, and the heater will provide heat. If it is known that any of the systems do not function properly, such facts should be included in the purchase agreement and acknowledged by the buyer.

## Charm or Irritant?

Having lived in this property, the seller has become accustomed to the peculiar conditions that have may have developed. But for the buyer, that peculiarity may be more than a mere inconvenience. It may be an irritant which the buyer cannot tolerate. It is important for the seller to review the condition of the property with the real estate agent and take special note of any problems on the Disclosure Statement. Civil Code Section 1102 requires that the seller provide the buyer with a completed "Real Estate Transfer Disclosure Statement."

## "As Is"

An "as is" purchase is perfectly acceptable, as long as the buyer understands exactly what the "as is" condition entails. Thus, it can be said in the purchase agreement that the buyer accepts the roof and the plumbing and the electrical system in their present condition and acknowledges that they have defects. This acknowledgement provides a defense for the seller if it is later claimed he did not disclose the problems.

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## Environmental Hazards

It is required that the seller discloses any knowledge of environmental hazards in the home or area such as asbestos, mold or pollutants. You will be provided with a Real Estate Transfer Disclosure Statement filled out by the seller as to his awareness or knowledge on this subject. You typically are permitted time to inspect for these issues.

## TAKE A TIP FROM US:

Environmental Hazards:

A Guide For Home Owners and Buyers is a handbook prepared by the California Department of Real Estate to inform you of the various toxins and hazardous wastes and what you can do about them. A copy of this publication will be given to you.