

DISCLOSURE REQUIREMENTS

3.0 hours DL

Objective: Licensee is provided an up to date look at current disclosures impacting real estate.

I. COMMON DISCLOSURE CONCERNS

- A. No SPDS available
- B. Selling As-Is
- C. Buying sight unseen
- D. Fix & Flip Disclosures
- E. Handyman laws
- F. Past Inspections
- G. Updating SPDS

II. SELLER DISCLOSURES

- A. Roof concerns
- B. Termite Damage
- C. Issues with HVAC
- D. FHA/VA Issues
- E. Selling a Smart Home
- F. Warranty Information
- G. Flood Area
- H. Neighborhood Concerns

III. BUYER DISCLOSURES

- A. Financial Ability
- B. Cash Sales
- C. Buyer Assigning the Contract to an unknown party
- D. Divorce Issues

IV. Disclosure Court cases

- A. Seller Failure to Disclose
- B. Buyer Failure to Disclose
- C. Agent Failure to Disclose
- D. Agent's Level of Knowledge
- E. Agent's Duty to Investigate
- F. Red Flags

V. Legal Issues Impacting the Property

- A. Easements
- B. Preliminary Title Report
- C. Short Term Rentals
- D. Condominium Laws
- E. Homeowner Association Regulations
- F. Rental Registration
- G. Community Facility Districts
- H. Sex Offenders
- I. Affidavit of Disclosure



Managing the Transfer of SMART HOME Items

Does The Smart Tech Go With?

Owners of a smart home invest a lot of time and effort into customizing their home with the technology and gadgets that suit their lifestyle. This could be smart appliances, temp controls, lighting, music selections and security systems. Moving to a new home begs the question: Leave it or Take it?

NOTE: THE NEW LISTING FORMS BOILERPLATE LANGUAGE DICTATES THAT SMART FEATURES WILL TRANSFER WHEN SOLD

Whatever the seller decides there are pros and cons of each. You can assist with managing the choice.

Option 1: Leave It

Seller decides the new owner will love all their special tech gadgets. Listing Agent needs:

1. List and disclose all devices that will transfer and monthly service fees, if any.
2. Advise the Seller they are to assist in the transfer of the account(s) to the new homeowner when the property has closed escrow including account numbers and passwords.
3. If the new owner does not elect to adopt these accounts, document the cancellations.

Checklist

SELLERS:

- Remove all personal and financial data and verify;
- Transfer ownership and billing;
- Create new passwords before transfer;
- Provide Owner manuals or websites;

NEW OWNERS:

- Request a list of devices from the seller
- Open new accounts ASAP;
- Reset all devices and verify passwords

Option 2: Take It

Seller decides they love all their special devices and will take them when they sell the property.

1. Did devices/appliances require professional installation?
2. Timing and Cost for competent removal and reinstallation.
3. Disclose to buyers items that will not remain with the property and removal, if affixed.

QUESTIONS TO CONSIDER IF SELLERS ELECT TO KEEP THE TECHNOLOGY:

1. Are the appliances and devices custom installed and connected?
2. Are they attached to personal accounts for payment and providing information to specific phone numbers or email addresses?
3. How are they to be transferred?

Easy to Take/Transfer Devices.

- | | |
|---------------------|---|
| • robot vacuum | • video doorbell |
| • smart trash can | • voice-based smart home assistant (such as Amazon Echo or Google Home) |
| • smart light bulbs | |

Easier to Replace: This is the case for smart home thermostats, full-home security systems, water sensor leak detectors for plumbing, and smart washers, dryers and washing machines.

- | | |
|------------------------------|---|
| • thermostats | • smart dishwashers, washers and dryers |
| • full-home security systems | • water sensor leak detectors |