DISCLOSURES IN THE RESALE PROCESS – WHAT IS ENOUGH?

When decided to sell my home in San Ramon, California, I knew that I had a potential problem with drainage on the North side of my home. I lived in a 0-lot home, which meant that my neighbor's lot had a problem. Our neighbors refused to do anything about it.

In recognizing that I had the duty to disclose or fix this problem, we decided to fix it. We put a very expensive French drain into out neighbor's yard after getting their agreement to allow us to enter their property to do so.

When talking with our real estate agent, I felt that I should still disclose it as it had not rained since the repairs and I was not 100% sure that the drain would solve the problem. Our agent was very adamant that we did not and should not disclose it. After many arguments with the agent and my hubby, we didn't disclose. I am sure hoping that it solved the problem and sighed with relief after 10 years had passed since the transaction.

What needs to be disclosed when you are selling YOUR home? Anything and everything that may affect the buyer's decision in purchasing your home. Does the dog next door bark continually or is the neighbor on drugs and the police are their nightly?

Would you consider the following adequate disclosure?

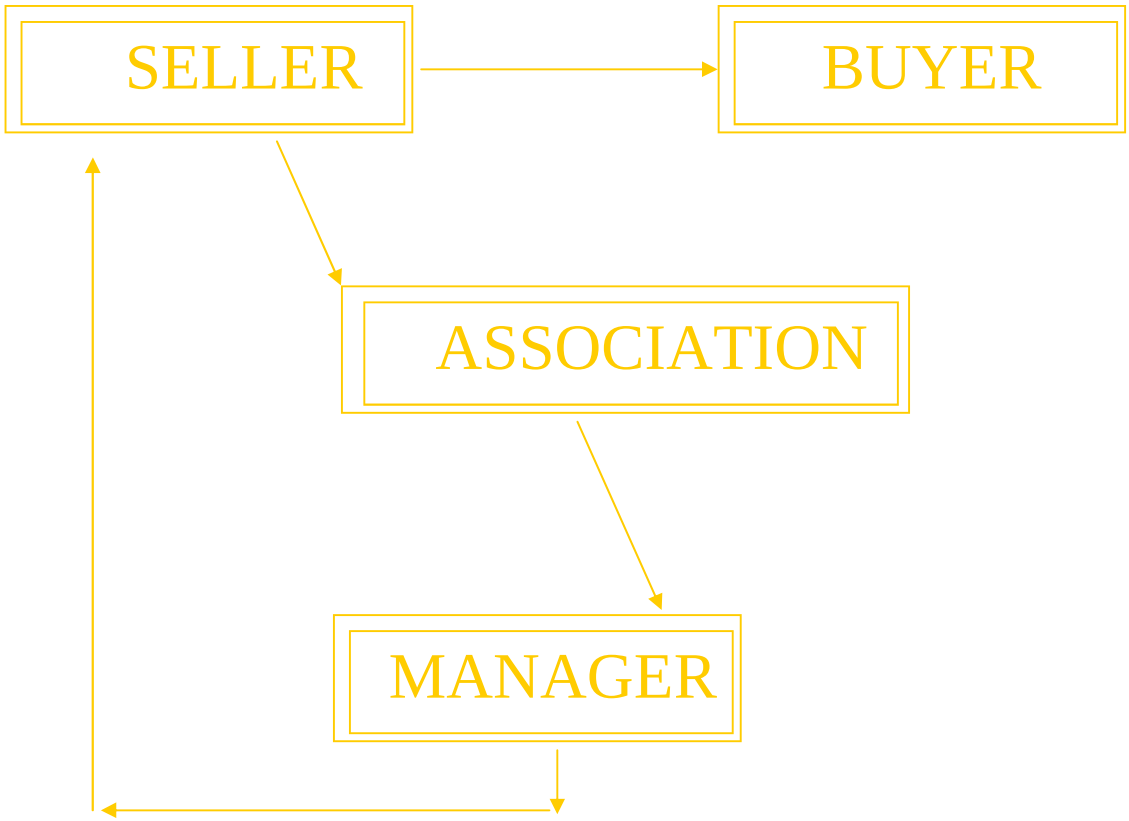
I sure think it does, but what does it do to the rest of the neighborhood.

Community Managers have a challenge in this area as well. They can not disclose anything to the buyer and can only disclose anything to the seller after getting permission from the Association to do so.

They Association, in Nevada, has to provide all of the disclosure documents to seller within 10 days of his or her request. If they are willing to pay an expedite fee, the association can charge an additional rush fee to provide the disclosures within 3 days.

Many individuals call the management company wanting information regarding a potential sell and in this economy, we want to help any seller with issues to help the buyer make a decision. STOP and think, however. Do you have anything in writing from the seller telling the Association that they can disclose and provide anything? If not, you can't do a thing as it is the SELLERS duty to disclose, not the Association's.

Here is how the relationship works:



If the Association were to disclose something without the sellers permission and the deal fell through as a result of that disclosure, guess who could be held responsible. In this economy, do you really want to take that risk? I sure wouldn't.

NRS 116.4109 details what the SELLER needs to provide to the purchaser. Read it very carefully since disclosing anything that was not required to be disclosed can cause you problems. Managers are continually tempted to disclose fines and violations. Don't do it unless you have something in writing tell you that you can disclose this information.

When I managed, I threatened in the “results of the hearing letter” to disclose the matter if it was not fixed, but I NEVER did disclose it. This threat cleaned up almost 99 percent of the issues if someone was considering selling their unit as they didn’t want to take the risk. It is the SELLERS responsibility to disclose these violations and you need to remind all owners in the “results of hearing letter” that they have that duty to do so.

If you have not taken the CE. Class called Resale and Disclosures, CE. 0088000 General credits, it would be worth your while to take the class as it covers the issues of the on-line disclosure services and issues there as well. To register and find out when the next class will be offered contact Sara Barry at seblv@aol.com.