

SELLING YOUR HOME

Disclosure Obligations—What You Should Know

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(NAPSA)—To sue or not to sue, that is fast becoming the question as Americans deal with non-disclosure in buying and selling real estate. The National Association of Realtors says that failure to disclose material facts is the leading cause of lawsuits filed against sellers and their real estate agents.

Among the most costly hazard non-disclosures are those that represent deadly risks. For example, radon gas, an odorless and colorless gas, occurs naturally throughout the United States and is the second leading cause of lung cancer. The Environmental Protection Agency (EPA) estimates 10 million homes have concentrations of radon well beyond safety standards.

Of course, radon gas is only one of the many natural hazards that pose a significant threat. The average property may have as many as 40 natural and environmental hazards that sellers need to disclose to potential buyers. These can range from earthquake fault zones to landfills, from groundwater contamination to high-risk fire districts. Disclosure is also required if the property has special tax assessments or is affected by a protected conservation area. This may sound like a lot to disclose but it's negligible compared to potential litigation and financial costs.

Suits that made recent headlines include:

- Buyers going into escrow learned their property was in a flood zone, requiring huge insurance premiums.
- A California man discovered



FESS UP—It's the law. The average property may have as many as 40 natural and environmental hazards that sellers need to disclose to potential buyers.

his home was built on a fault line resulting in a 15 percent drop in the valuation of his property

- A Florida family had one side of its house sink almost two feet into "muck" six months after purchase

These are examples of non-disclosures that ultimately result in successful lawsuits demonstrating that the sellers or agents knew, or should have known, about environmental or natural hazards affecting the property they sold. Sometimes it only takes circumstantial evidence to prove liability, especially when official government maps charting these hazards have been produced and made readily available.

As the concept of caveat emptor (buyer beware) continues to erode across the country, it becomes more and more difficult for sellers and agents to run for cover under the "I didn't know" umbrella.

Property I.D. helps buyers, sellers and their agents get the necessary information to meet their legally imposed disclosure obligations.