

What you need to know...

Of course the home for sale looks good. It's clean, has new carpeting, and the lawn is well kept. But is there anything under the surface that a potential buyer should know about? What should the seller tell a prospective buyer to ensure an informed, fair transaction? Federal and Rhode Island law dictate that property owners undergo several steps to disclose and reveal any defects in the property before selling. Below are some items that buyers and sellers should be aware of before completing a transaction.

Disclosing material defects in the property

- The property owner must produce a written disclosure of these defects in accordance with RI Law 5-20.8-2. Although no one is all-knowing, there are defects that homeowners are aware of and need to list such as termite damage, existence of hazardous waste, problematic structural conditions, and the presence of asbestos.

Lead-Based Paint – All houses built before 1979 will probably contain lead-based paint. A seller must indicate what they know about the presence of lead-based paint, as pursuant with RI Law . The Federal Residential Lead-Based Paint Hazard Act requires further disclosures.

Property Inspection - Buyers have the opportunity to hire an outside licensed home inspection company to conduct a thorough inspection of the property. This inspection does not include reporting cosmetic improvements. The seller is not responsible for finding a company and paying the cost. Truehome can provide a list of licensed inspection companies to buyers.



Results of this inspection may lead to negotiations in the final transaction and affect the sales price.

Home Warranty Policy – There may be defects in the property of which the seller is not aware or that have been missed by the inspection company, but come to light after the property has been sold. This is where a Home Warranty Policy comes in. If purchased, it guarantees that should any defect covered by the policy be discovered after it is transferred, the seller is not responsible for its repairs or cost.

REQUIRED FORMS

To ensure an informed, fair transaction of property, the State of Rhode Island requires comprehensive forms to be filled out by the seller before a sale is completed. It is important to know that the seller, and the seller alone, must complete the forms. No real estate agent may contribute to their completion.

We can provide you with the necessary disclosure forms and pamphlets required by state and federal law.