

What Do You Remember about Disclosing Material Facts?

Mark each item **True** or **False**.

ANSWER KEY

Licensees are required to disclose:

1. the client's willingness to negotiate price. FALSE
2. the square footage of any structure listed for sale or for rent. FALSE
3. the presence of sex offenders on the NC registry within 1 mile of a residential property listed for sale. FALSE
4. the possible presence/use of lead-based paint to prospective tenants. TRUE
5. possible NC agency relationships. TRUE
6. the possible presence of environmental hazards, such as radon. TRUE
7. the presence of ghosts on the property. FALSE
8. a murder that occurred on the property recently. FALSE
9. a suicide that occurred on the property five years ago. FALSE
10. the presence of a cemetery within the property's boundaries. TRUE
11. the racial or ethnic demographics of a residential neighborhood. FALSE
12. airport noise. TRUE
13. the location of a nuclear facility nearby. FALSE
14. a roof leak that has been repaired. FALSE
15. flood zones. TRUE
16. information from a seller's inspection report. TRUE
17. the previous buyer's appraisal report. FALSE
18. a seller's imminent foreclosure. TRUE
19. a buyer's bad credit rating. TRUE
20. restrictive covenants. TRUE
21. quality of neighborhood schools. FALSE
22. zoning. TRUE
23. that there may be tax consequences of the purchase/sale of the property. TRUE
24. difficulty of obtaining homeowner's insurance. TRUE
25. that the property was initially covered with EIFS. TRUE
26. that the property has PB piping. FALSE
27. that work was done without a required permit. TRUE
28. information that the seller has provided about a material fact but has marked "no representation" by the issue on the RPOADs form. TRUE
29. information about a material fact when brokers are selling their own properties. TRUE
30. that the property is in a crime-infested neighborhood. FALSE

BONUS Questions:

Are duties regarding disclosure of material facts different for a listing agent from a buyer's agent? Is the answer different if the property is commercial? What does "as is" mean? What does "caveat emptor" mean?