

CONSUMER GUIDE: SELLER DISCLOSURES

When selling a home, sellers must disclose certain characteristics of the property to potential buyers. An agent who is a [REALTOR®](#) can help you understand why and what you need to disclose, but here are the basics:

What are seller disclosures? Seller disclosures are certain material defects—elements of a home that may negatively impact its value—that sellers must disclose to buyers in a legal document. While specific disclosures are dependent on state and local law, sellers are typically required to list any completed repairs, information about natural [hazards](#), property defects, missing essentials, land-use limitations, HOA guidance, deaths on the property, and any other conditions that might negatively impact the property's value. Your agent can help you consult state and local law to see what you are required to disclose.

Why are seller disclosures important? Seller disclosures are important because they help protect both the buyer and the seller. The disclosures allow buyers to choose whether they want to make an offer on the house based on what the seller is disclosing about the property, or can influence the offer amount. For sellers, the disclosure can help protect them from legal liability, meaning they will not be responsible for any issue that arises on the property after the sale as long as it was previously disclosed.

Where are seller disclosures listed? Seller disclosures are listed on a legal document called a “seller disclosure form” or a “property disclosure statement.” Most states have a standard template that the seller fills out, but some states allow the seller to disclose more conservatively, meaning that they are not required to provide as much disclosure detail. Your agent can help you understand the correct way to list your disclosures according to your state's laws.

Which defects, if any, need to be disclosed? Consult with your real estate professional to help understand what defects need to be disclosed. While it is not required, you can also conduct a [home inspection](#) before listing, which can help identify potential issues that you can consider repairing before showing your home to potential buyers and use as a differentiator for your property. If you uncover possible issues that may appear during a buyer's inspection, you will have time to make any necessary changes that could impact your home's asking price, as well as defects you may need to disclose depending on state laws.

What if there are no defects that need to be disclosed? A seller can state that there are no material defects on a property on the disclosure form. However, even if you are unsure as to whether a potential defect needs to be disclosed, it is best practice to disclose it to avoid potential legal liabilities in the future.

When do material defects need to be disclosed? In most states, seller disclosures are often required before the buyer signs a binding contract of sale, and some sellers choose to disclose as early as home tours. However, sellers should check with state and local guidance as conditions vary by state.

What happens if a material defect about a property is not disclosed? If a seller knowingly withholds information regarding a required seller disclosure, there may be legal consequences. A buyer could cancel the sale, or the seller could be legally liable. Sellers should be honest with any and all details they are required to disclose about the home.

Practices may vary based on state and local law. Consult your real estate professional and/or an attorney for details about state law where you are purchasing a home. Please visit [facts.realtor](#) for more information and resources.