

## **The Importance of the Seller's Disclosure Notice Form**

In 1993, the Texas Property Code was changed to add section 5.008, which required a seller of a single family residential property to provide a form to disclose known defects in the home being sold to any potential purchaser. Our practice of providing a Seller's Disclosure Notice form for the use of our clients stems from this legislation. The Texas Real Estate Commission does not promulgate a form for our use, although they do make a form available on their website. The Texas Association of Realtors make a form available for use by its members and many local boards around the state have their own similar forms, as do we.

The current Austin Board of Realtors Seller's Disclosure form is the result of many years of modifications, edits, and updates by the Board of Directors' task forces and committees. Our goal has been and will continue to be to provide the best form available to our members for use by their clients. Our form is comprehensive, clear, and precise. It is designed to help our sellers make a full disclosure of the condition of their home to a buyer making a decision to purchase the property. Certainly not all the questions on our form apply to all homes, however, its comprehensiveness is designed to help the seller make as complete a disclosure as possible.

The form is important to the selling client as it assists the seller in meeting his or her disclosure duties under the law. It is also used to demonstrate the success of the seller's maintenance of the home. A well-maintained home brings a higher sales price and the form is a history of the seller's efforts.

The form is important to the buying client as it assists the buyer in understanding fully the conditions of the home they are buying. It gives the buyer the data about the home for his or her own personal budgetary decisions in maintenance.

The form is important to the parties jointly as it enables them to understand what is being bought and sold with full disclosure which gives the transaction a much better chance for long term success by all concerned.

The form is equally important to Realtors. Realtors, under the Texas Real Estate License Act<sup>1</sup> must disclose all "known" defects to a purchaser and the form assists them in fulfilling their duties under the License Act. The form is also used by Realtors to fulfill their duties to their clients of fidelity, integrity, and competency.<sup>2</sup> Above all else, Realtors best serve

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<sup>1</sup> License Act Section 1101.652, (b), (3) and (4).

<sup>2</sup> Rules of the Texas Real Estate Commission, Texas Administrative Code Chapter 531.1, 531.2, 531.3.

their clients by understanding what is being purchased and sold, and the notice is a great descriptive device along those lines.

The goal of a Realtor is to serve their clients while treating the public honestly and fairly. The detailed Austin Board of Realtor's Seller's Disclosure Notice is a valuable tool for their client's use. The form is another example of one of the Austin Board of Realtors' key goals - to better educate our members so they can better serve the public.