

State of Ohio Residential Property Disclosure

Pursuant to ORC Section 5302.30

The intent of this consumer protection legislation is to require Sellers of buildings consisting of 4 living units or less to disclose, in good faith, the known condition of the property.

Included Properties*

- Buildings with 1 to 4 living units
- Land Installment Contracts
- Lease with Option to Purchase
- Exchanges
- 99-Year Leases Renewable Forever
- Auctions
- Transfers by a lender that has acquired a deed through Sheriff's sale.

Excluded Properties*

- Unimproved land
- Commercial/Industrial Properties
- New Construction (*Property has not previously been occupied*)
- Foreclosure Actions
- Court-Ordered Sales
- Transfers Between Co-Owners
- State or Governmental Entity Transfers
- Sales to Tenants of More than 1 Year
- Transfers by Fiduciaries
- Inherited Property (*Seller has not lived in the property for 1 year prior to sale*)

What Constitutes Delivery?

Delivery of the completed disclosure form from Seller to Buyer can be accomplished by: fax, ordinary mail, personal delivery or certified mail. The law does not reference electronic delivery, therefore, that method cannot be depended upon to be sufficient to be in compliance with the law. Remember – delivery to a Buyer's agent (representative) is considered under the law to be delivery to the Buyer. Although the law also requires the Buyer to sign and date the form and return a copy to the Seller, rescission rights begin at the time of delivery of the form, not the date the Buyer signs it. It is important that buyer's agents, in the performance of their agency duty, deliver the form to their buyer-clients as quickly as possible. If the real estate agent working with the Buyer is not a representative of the Buyer, delivery does not occur until the Buyer physically receives the form.

What is the Buyer's Right of Rescission?

The enforcement mechanism in this legislation is the Buyer's right to rescind the contract to purchase. A rescission right exists if the form: (a) is delivered to the Buyer after the contract to purchase is executed; (b) if the Buyer receives an amended form after the contract to purchase has been executed; or (c) if the form is never delivered to the Buyer. The Buyer loses the right of rescission if the form is delivered to the Buyer *before* final execution of the contract. If the form or an amended version of the form is delivered *after* the execution of the contract to purchase, the Buyer may rescind the contract by delivering a signed and dated document of rescission to the Seller or the Seller's agent within 3 business days after delivery. The Buyer's rescission period lasts for 30 days or to the closing, whichever is the earlier. If the form is *never delivered* to the Buyer, the Buyer may have the right to rescind for 30 days after the execution of the contract or to the closing, whichever is the earlier. In either case, the Buyer must deliver a written notice of the rescission to the Seller within the time specified. Remember, rescission rights are based solely on the timing of the delivery of the form – not the content of the form. All rescission rights terminate at closing.

Some Point to Remember...

A relocation company or a lender may be required to complete the form if the company has taken legal title to the property. If the Seller retains legal title to the property, the Seller is required to complete the form.

Investors who have never lived in a property are not exempt from completing the form on that basis alone. However, if the investor has no actual knowledge of the property's condition, he or she may answer accordingly.

*Any questions a Seller has regarding his/her responsibility under the Seller Disclosure Law should be directed to his/her legal counsel.

Visit <http://www.ohiorealtors.com/legal/dis01.html> for a Q&A of common questions related to the form.