



RESIDENTIAL BROKERAGE

COLDWELL BANKER REO DISCLOSURE

When a Lender has foreclosed a mortgage on, and currently holds title to, real property that is to be listed for sale, that type of property is commonly known as REO or Real Estate Owned property.

Buyers who are interested in acquiring REO Property need to understand that the Seller may have little or no information about the property. Such Sellers are exempt under California statutory law from completing the Real Estate Transfer Disclosure Statement, the Supplements to that Disclosure and the Natural Hazards Disclosure Statement. However, Coldwell Banker believes that such Sellers are not exempt from the common law duty of making full disclosure and that the Seller needs to provide: (a) full disclosure of the Seller’s actual knowledge about the property; (b) copies of all reports that the Seller has about the property; and (c) all other disclosure forms that may be required for the sale of that property such as the Lead-Based Paint disclosure, Seller’s Affidavit of Nonforeign Status (FIRPTA), Residential Earthquake Hazards Report, Notice of Supplement Tax Bill, the Water Heater Statement of Compliance and the Smoke Detector Statement of Compliance.

Some Lenders are requiring that their own Addendum forms be used in the sale of REO property. These contract documents are usually not standard forms created in California by the California Association of Realtors or other reputable local publishing entities such as Peninsula Regional Data Service or Professional Publishing. Real estate agents are not attorneys and they cannot provide legal advice. They cannot explain to a Buyer all of the legal and practical effects and implications of any contract documents prepared by the Lender. The only person who can provide that information is a California attorney who has experience and expertise in residential real estate transactions.

Coldwell Banker strongly recommends that all Buyers review all of the required purchase contract documents with their own qualified real estate attorney prior to signing any of those contract documents.

The undersigned understands and acknowledges receipt of this Coldwell Banker disclosure.

Date: _____
Seller

Date: _____
Buyer

Date: _____
Buyer