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PREMIERE
KELLER WILLIAMS REALTY



Michael Faunce

Broker Licensed in Oregon
Michael Faunce
Knowledge, Expertise & Resources
with Your Best Interest 1st
(503) 686-8127
www.**2BuySellHome.com**

I have prepared a **Seller-Resource-Guide** for my client and I would encourage all my clients to review the enclosed materials. Follows is a quick overview of the attached documents.

1. Home Flyer & Title & Escrow Overview Booklet

2. This Buyer/Seller Transaction Calendar: This will allow you to see time-lines involved in the Home Transaction Process

3. Get your Home in Top Selling Condition: This outlines things you can do NOW to get best curb appeal of your property & resolve common home inspection issues that may be done with little or no cost.

4. OREF Residential Reals Estate Sale Agreement: Will inform you about the Real-Estate Sales-Contract which I will be reviewing with you when we receive Offers for your property.

5. Oregon property Seller Advisory: This document is very helpful in understanding a complete overview of the home selling process. I have included it here AGAIN for your convenience.

6. Trio: Contains Tax data, Property Pictures & Plat Map

Buyer / Seller 31 Day Transaction Calendar

Times are Approximate

Sun.	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.
	1 OFFER Accepted	2	3	4	5 FINAL Needs-List	6
7	8 LOAN Disclosures	9	10 ORDER Appraisal	11	12 SUBMIT to Underwritin	13
14	15	16	17 Conditional Approval	18 Appraisal Due	19	20
21	22	23 Final approval	24	25 Draw Documents	26	27
28	29 Sign Documents	30	31 Fund & Record			



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Getting Your Home in Top Selling Condition

Curb Appeal

- Drive up to your home and look at it from afar. Look at it through the eyes of buyers.
- Check the shingles – repair or replace damaged shingles.
- Clean and repair the gutters.
- Clean and repair the HVAC units.
- Repair broken windows and shutters. Replace torn screens. Make sure frames and seams have solid caulking.
- Repair or replace door knobs, doorbell and light fixtures if necessary.
- Remove all toys, equipment and litter.
- Remove cobwebs and nests.
- Remove mildew, moss and stains from the side of your home – use bleach. Remove stains from the walkways and driveway – use concrete cleanser and/or kitty litter.
- Repair and clean patio furniture and deck area. Remove anything that can't be repaired.
- Make sure the spa and pool sparkle.
- Go around and touch up the exterior of your home with putty and paint.
- Clean or paint the front door and mailbox.
- Hose off the exterior of your home, especially around entrances. Use siding cleanser.
- Wash the windows.
- Wash your garbage can and put it in a place where it's not the first thing potential buyers see when they drive up.
- Mow the lawn.
- Trim the trees and shrubs.
- Weed the gardens.
- Add colorful plants or foliage to fill in bare spots.
- Edge the gardens and walkways.
- Sweep the walkways and driveway.
- Replace doormats that are worn and torn.
- Shine brass hardware on the doors and light fixtures. Polish stained wood doors and trim.
- Drive up to your home again and look at it from the eyes of a potential buyer. Walk into your home as a potential buyer. Determine what kind of impression the walkways and entrances now make.

Overall Interior

- Walk through your home. Store, give away, throw, or donate anything that you won't need until after the move; e.g. furniture, knick-knacks, clothing, toys, equipment, appliances, worn rugs, papers, books, cosmetics, jewelry, games, CDs, etc.
- Walk through your home again, this time with some tools. Fix loose door knobs, cracked molding, leaky faucets. Remove cob webs.
- Replace worn or broken door knobs, cabinet fixtures, light fixtures, light switches, outlet plates, faucets and vent covers.
- Clean the fireplace.
- Clean the vents.
- Clean and organize your closets. Add extra space by storing or giving away items.
- Add a fresh coat of paint in light, neutral colors.
- Shampoo the carpet. Replace if necessary. Clean and wax the floors.
- Vacuum the window blinds, shades and drapes. Wash or dry clean curtains. Wash all the windows, frames and sills.
- Add dishes of potpourri.
- Remove all valuables, such as jewelry, artwork, knick-knacks, medications, cash, coin collections and so on.
- Open all the window shades to create a spacious and bright look.
- Put pet supplies and dishes in a place where they are not the first thing potential buyers see or smell when they walk into a room.

Living Room and Family Room

- Make these rooms spacious and inviting.
- Discard or repair chipped furniture. Replace worn rugs and pillows.
- Remove magazines, games, toys and so on.
- Make sure the entertainment center sparkles.
- Vacuum upholstery, drapes, pillows, etc.

Dining Room

- Clean out your china cabinet. Polish any visible silver.
- Put a lovely centerpiece on the table – treat yourself to fresh flowers. Set the table for a formal dinner to help potential buyers imagine entertaining there.

Bedrooms

- Arrange furniture to create a spacious look.
- Remove games, toys, magazines, cosmetics, jewelry – especially on the nightstands.
- Replace bedspreads, quilts and pillow shams if they are worn or faded.

Bathrooms

- Remove rust and mildew stains.
- Wash or replace shower curtains.
- Make sure everything sparkles – including grout.
- Replace worn rugs and towels.

Kitchen

- Make sure all appliances work.
- Clean the inside of the refrigerator, stove and cabinets. Make sure everything is organized to create a spacious look.
- If your stove has electric burners, purchase new drip pans for each burner. Wash removable knobs in your dishwasher.
- Polish the cabinets with furniture oil.
- Make sure appliances, countertops and the sink sparkle. Install new faucets if necessary.

Attic, Basement and Garage

- Get rid of unnecessary items. Store or pack items you won't need until after the move.
- Organize everything to create more floor space and make inspections easy. Put things on shelves or in matching boxes.
- Provide bright lighting.
- Clean all equipment and vents. Replace filters. Fix any insulation that might be showing.
- Take care of stale or musty odors. Open the windows, dust and wash the walls and floors, purchase room deodorizers.

When It's Time to Show

- Make sure your property folder is out in the open. It should contain utility bills, an MLS profile, your *Seller's Disclosure*, extra property flyers and extra business cards.
- Do a quick clean and vacuum. Air out your house. Dispose all trash.
- Put pets outside if it's safe to do so.
- Turn on a radio with peaceful music.

MARKET ACTION



A Publication of RMLS The Source for Real Estate Statistics in Your Community

Residential Review: Metro Portland, Oregon

October 2017 Reporting Period

October Residential Highlights Year to Date Summary

The Portland metro area saw cooler numbers almost across the board this October. New listings made the solitary gain—the 2,981 new listings offered outpaced October 2016 by 1.8% despite a 18.2% decrease from last month in September 2017.

Closed sales, at 2,565, fell 0.9% short of the 2,589 closings recorded last year in October 2016 and 3.6% short of the 2,660 closings recorded in September 2017.

Pending sales (2,705) fared similarly, showing a 4.8% decrease from October 2016 (2,841) and a 0.9% decrease from last month in September 2017.

Inventory decreased slightly to 2.1 months in October, with total market time increasing to 44 days.

Activity has been cooler so far in 2017 compared to 2016. New listings (36,614) are down 2.1%, closed sales (26,551) are down 3.0%, and pending sales (27,385) are down 7.1%.

Average and Median Sale Prices

Prices continue to rise in the Portland metro area. Comparing 2017 to 2016 through October, the average sale price rose 9.0% from \$393,900 to \$429,400. In the same comparison, the median sale price rose 10.1% from \$345,000 to \$379,900.

Inventory in Months*			
	2015	2016	2017
January	3.4	1.8	1.7
February	3.0	1.8	1.9
March	1.9	1.3	1.3
April	1.8	1.4	1.7
May	1.7	1.4	1.5
June	1.6	1.5	1.6
July	1.7	1.9	2.1
August	1.9	1.9	2.0
September	1.9	2.0	2.3
October	1.8	2.0	2.1
November	2.0	1.8	
December	1.2	1.3	

*Inventory in Months is calculated by dividing the Active Residential Listings at the end of the month in question by the number of sales for that month. This includes proposed and under construction homes.

Percent Change of 12-Month Sale Price Compared With The Previous 12 Months

Average Sale Price % Change:
+8.6% (\$424,100 v. \$390,500)
Median Sale Price % Change:
+10.3% (\$375,000 v. \$340,000)

For further explanation of this measure, see the second footnote on page 2.

Portland Metro Residential Highlights		New Listings	Pending Sales	Closed Sales	Average Sale Price	Median Sale Price	Total Market Time
2017	October	2,981	2,705	2,565	438,500	380,000	44
	September	3,644	2,730	2,660	426,700	380,000	37
	Year-to-date	36,614	27,385	26,551	429,400	379,900	43
2016	October	2,929	2,841	2,589	405,900	350,000	41
	Year-to-date	37,412	29,464	27,359	393,900	345,000	41
Change	October	1.8%	-4.8%	-0.9%	8.0%	8.6%	8.0%
	Prev Mo 2017	-18.2%	-0.9%	-3.6%	2.8%	0.0%	18.9%
	Year-to-date	-2.1%	-7.1%	-3.0%	9.0%	10.1%	6.9%

AREA REPORT • 10/2017

Portland Metropolitan Area, Oregon

		RESIDENTIAL														COMMERCIAL		LAND		MULTIFAMILY		
		Current Month							Year-To-Date							Year-To-Date		Year-To-Date		Year-To-Date		
		Active Listings	New Listings	Expired/Canceled Listings	Pending Sales	Pending Sales 2017 v. 2016 ¹	Closed Sales	Average Sale Price	Total Market Time ³	New Listings	Pending Sales	Pending Sales 2017 v. 2016 ¹	Closed Sales	Average Sale Price	Median Sale Price	Avg. Sale Price % Change ²	Closed Sales	Average Sale Price	Closed Sales	Average Sale Price	Closed Sales	Average Sale Price
141	N Portland	224	173	75	127	15.5%	115	426,000	40	1,646	1,157	0.1%	1,091	403,000	390,000	6.6%	4	314,800	21	343,200	19	676,300
142	NE Portland	448	312	111	226	-15.4%	213	447,200	38	3,344	2,393	-6.7%	2,336	455,400	405,000	8.4%	29	703,800	25	341,800	70	787,300
143	SE Portland	589	390	132	326	-7.9%	288	415,700	37	4,445	3,250	-6.2%	3,119	396,400	347,000	8.1%	43	718,700	74	292,200	131	613,400
144	Gresham/ Troutdale	341	189	48	218	4.8%	167	340,700	39	2,318	1,819	-13.4%	1,712	325,800	312,000	10.3%	16	640,000	78	263,900	43	411,300
145	Milwaukie/ Clackamas	478	245	95	237	0.9%	197	409,000	45	3,011	2,207	-9.4%	2,155	410,300	383,000	10.5%	19	480,300	91	271,900	20	544,500
146	Oregon City/ Canby	264	121	31	134	-10.1%	134	392,200	34	1,791	1,475	-12.6%	1,431	394,200	375,000	8.0%	11	415,400	80	232,100	18	305,500
147	Lake Oswego/ West Linn	437	163	87	122	2.5%	134	694,300	65	2,240	1,412	-5.1%	1,368	669,700	564,000	8.5%	2	535,000	35	470,600	7	674,300
148	W Portland	719	312	156	247	-4.3%	239	612,000	59	4,010	2,664	-4.8%	2,607	590,600	495,000	5.1%	9	602,600	48	335,200	21	927,400
149	NW Wash Co.	281	153	68	144	-5.3%	140	556,300	52	1,926	1,410	-1.5%	1,351	525,500	500,000	9.0%	3	67,300	40	341,800	6	872,000
150	Beaverton/ Aloha	321	253	78	267	0.8%	256	365,400	30	3,071	2,479	-11.3%	2,398	364,400	348,800	9.9%	9	670,200	15	447,800	30	707,000
151	Tigard/ Wilsonville	473	254	82	235	-6.7%	238	455,500	46	3,401	2,657	-5.9%	2,559	433,500	415,000	6.7%	7	861,700	31	309,800	20	663,900
152	Hillsboro/ Forest Grove	293	182	45	175	-17.1%	176	374,400	36	2,443	2,019	-2.0%	1,986	373,300	350,000	11.6%	14	358,400	55	310,300	44	430,200
153	Mt. Hood	66	25	4	20	-25.9%	26	348,100	58	219	165	-19.1%	163	311,400	305,000	15.8%	-	-	24	85,600	1	775,000
155	Columbia Co.	185	92	28	106	26.2%	78	284,300	48	1,029	812	-7.5%	789	280,600	275,000	10.8%	7	573,800	88	144,700	10	235,700
156	Yamhill Co.	296	117	51	121	-19.3%	164	332,800	55	1,720	1,466	-6.9%	1,486	332,000	300,000	14.1%	10	590,600	98	306,300	35	304,300

¹ Percent change in number of pending sales this year compared to last year. The Current Month section compares October 2017 with October 2016. The Year-To-Date section compares 2017 year-to-date statistics through October with 2016 year-to-date statistics through October.

² % Change is based on a comparison of the rolling average sale price for the last 12 months (11/1/16-10/31/17) with 12 months before (11/1/15-10/31/16).

³ Total Market Time is the number of days from when a property is listed to when an offer is accepted on that same property. If a property is re-listed within 31 days, Total Market Time continues to accrue; however, it does not include the time that it was off the market.



OREGON REAL ESTATE INITIAL AGENCY DISCLOSURE PAMPHLET OAR 863-015-215 (4)

This pamphlet describes the legal obligations of real estate licensees in Oregon. Real estate brokers and principal real estate brokers are required to provide this information to you when they first meet you.
This pamphlet is informational only. Neither the pamphlet nor its delivery to you may be interpreted as evidence of intent to create an agency relationship between you and a broker or a principal broker.

Real Estate Agency Relationships

An "agency" relationship is a voluntary legal relationship in which a licensed real estate broker or principal broker (the "agent"), agrees to act on behalf of a buyer or a seller (the "client") in a real estate transaction.

Oregon law provides for three types of agency relationships between real estate agents and their clients:

Seller's Agent - Represents the seller only;

Buyer's Agent - Represents the buyer only;

Disclosed Limited Agent - Represents both the buyer and seller, or multiple buyers who want to purchase the same property. This can be done only with the written permission of all clients.

The actual agency relationships between the seller, buyer and their agents in a real estate transaction must be acknowledged at the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real estate agent.

Definition of "Confidential Information"

Generally, licensees must maintain confidential information about their clients. "Confidential information" is information communicated to a real estate licensee or the licensee's agent by the buyer or seller of one to four residential units regarding the real property transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell. "Confidential information" does not mean information that:

- a. The buyer instructs the licensee or the licensee's agent to disclose about the buyer to the seller, or the seller instructs the licensee or the licensee's agent to disclose about the seller to the buyer; and
- b. The licensee or the licensee's agent knows or should know failure to disclose would constitute fraudulent representation.

Duties and Responsibilities of Seller's Agent

Under a written listing agreement to sell property, an agent represents only the seller unless the seller agrees in writing to allow the agent to also represent the buyer. An agent who represents only the seller owes the following affirmative duties to the seller, the other parties and the other parties' agents involved in a real estate transaction:

- 1. To deal honestly and in good faith;
- 2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- 3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party;



A seller's agent owes the seller the following affirmative duties;

1. To exercise reasonable care and diligence;
2. To account in a timely manner for money and property received from or on behalf of the seller;
3. To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
4. To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
5. To advise the seller to seek expert advice on matters related to the transactions that are beyond the agent's expertise;
6. To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.

None of the above affirmative duties of an agent may be waived, except #7. The affirmative duty listed in #7 can only be waived by written agreement between seller and agent.

Under Oregon law, a seller's agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of Buyer's Agent

An agent, other than the seller's agent, may agree to act as the buyer's agent only. The buyer's agent is not representing the seller, even if the buyer's agent is receiving compensation for services rendered, either in full or in part, from the seller or through the seller's agent.

An agent who represents only the buyer owes the following affirmative duties to the buyer, the other parties and the other parties' agents involved in a real estate transaction:

1. To deal honestly and in good faith;
2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A buyer's agent owes the buyer the following affirmative duties:

1. To exercise reasonable care and diligence;
2. To account in a timely manner for money and property received from or on behalf of the buyer;
3. To be loyal to the buyer by not taking action that is adverse or detrimental to the buyer's interest in a transaction;
4. To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
5. To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
6. To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase.

None of these affirmative duties of an agent may be waived, except #7. The affirmative duty listed in #7 can only be waived by written agreement between buyer and agent.

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Under Oregon law, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching an affirmative duty to the buyer.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

**Duties and Responsibilities of an Agent
Who Represents More than One Client in a Transaction**

One agent may represent both the seller and the buyer in the same transaction, or multiple buyers who want to purchase the same property, only under a written "Disclosed Limited Agency Agreement" signed by the seller and buyer(s).

Disclosed Limited Agents have the following duties to their clients:

1. To the seller, the duties listed above for a seller's agent; and
2. To the buyer, the duties listed above for a buyer's agent;
3. To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the other person:
 - a. That the seller will accept a price lower or terms less favorable than the listing price or terms;
 - b. That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
 - c. Confidential information as defined above.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.

When different agents associated with the same principal broker (a real estate licensee who supervises other agents) establish agency relationships with different parties to the same transaction, only the principal broker will be a Disclosed Limited Agent for both buyer and seller. The other agents continue to represent only the party with whom they have already established an agency relationship unless all parties agree otherwise in writing. The principal real estate broker and the real estate licensees representing either seller or buyer shall owe the following duties to the seller and buyer:

1. To disclose a conflict of interest in writing to all parties;
2. To take no action that is adverse or detrimental to either party's interest in the transaction; and
3. To obey the lawful instruction of both parties.

No matter whom they represent, an agent must disclose information the agent knows or should know that a failure to disclose would constitute fraudulent misrepresentation.

You are encouraged to discuss the above information with the licensee delivering this pamphlet to you. If you intend for that licensee, or any other Oregon real estate licensee, to represent you as a Seller's Agent, Buyer's Agent, or Disclosed Limited Agent, you should have a specific discussion with the agent about the nature and scope of the agency relationship. Whether you are a buyer or seller, you cannot make a licensee your agent without the licensee's knowledge and consent, and an agent cannot make you their client without your knowledge and consent.



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(503) 597-2444

My Valued Clients - This copy is for your reference.

The information contained in the

www.OregonRealtors.org/Advisory

document attached here is very useful regarding the transaction and

To: sale of your property and I encourage you to take the time to read it.

On behalf of Keller Williams® Realty Portland Premiere and myself, I'd like to welcome you as a client. I look forward to acting as your agent in selling your property. I have provided you with an Initial Agency Disclosure Pamphlet that explains agency relationships between Oregon real estate licensees and their clients. Please, let me take this opportunity to explain how we at Keller Williams Portland Premiere work on behalf of our seller clients.

I will work with you to

- Market your property to potential buyers
- Utilize all of the appropriate marketing tools
- Establish a fair asking price consistent with existing market conditions using comparative market analysis techniques
- Keep you abreast of market conditions
- Stimulate enthusiasm for your home by responding to market changes
- Negotiate the sale of the property when a buyer is found
- Locate additional professionals such as home inspectors, engineers, land use consultants, lawyers, accountants who may assist you in matters outside the scope of my expertise
- Finalize the transaction

Although my exclusive representation of you in the sale of your home will terminate upon closing of the transaction, I will continue to maintain and honor all confidences you have shared with me.

To help ensure you receive the service you deserve, I ask that you

- Make certain I am aware of your needs and concerns as they arise
- Be sure to disclose any material defects known to you but not apparent to a prospective buyer
- Share with me any specific needs or concerns that may impact your willingness or ability to enter into a sale and/or complete one

There are a great many decisions to be made and things to consider when selling real property. To help you understand my role and the many issues that may arise in selling your home, I am providing you with a copy of the Oregon "Seller Advisory" provided by the Oregon Association of Realtors. I cannot stress enough the importance of you informing yourself regarding real property transactions. I trust you will take the time to read the Advisory. In accord, **I will proceed with the understanding that you have read and understand this critical information unless you specifically inform me otherwise.**

I look forward to helping you market your property and assisting you in negotiating for its sale. In this process, I will advise you as a real estate professional familiar with the local real estate market and the business considerations necessary to a successful transaction. Please do not hesitate to contact me regarding any questions or concerns you may have as we go forward.

SELLER ACKNOWLEDGMENT

Seller acknowledges receipt of this Engagement Letter. Unless otherwise agreed in writing, Agent's duties shall be limited to those described in this Engagement Letter and seller shall be responsible for making all other necessary inquiries and consulting appropriate persons or entities prior to the sale of the property.

(Check one box only)

- Seller acknowledges their responsibility to obtain and read the Seller's Advisory at www.oregonrealtors.org/advisories
- Seller has received a current copy of the Oregon Seller's Advisory, and accepts responsibility to review it prior to executing their purchase agreement.

No Signature needed - Document For Reference - Sign-off done by other means

Seller _____ Date _____

Seller _____ Date _____

Broker _____ Date _____

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OREGON PROPERTY SELLER ADVISORY

A CONSUMER INFORMATION PUBLICATION OF THE OREGON ASSOCIATION OF REALTORS Use Web-Link below to access on-line

www.oregonrealtors.org/advisories

Oregon real estate licensees provide valuable services to property owners who wish to sell their property. A licensed real estate professional can provide a variety of services to sellers in addition to listing the property and placing it in a multiple listing service. These services include helping the seller understand their legal obligations, including required disclosures, establishing a fair price, marketing the property, negotiating the sale and helping the seller with contract performance. A real estate licensee is not, however, qualified to discover defects, evaluate the physical condition of property, give legal advice or provide other services beyond the scope of their real estate license. This Advisory is designed to assist home sellers in meeting their obligations as a seller of real property in Oregon. Common issues that arise in Oregon real property transactions are summarized in this Advisory. In addition to understanding these common issues, the seller should tell the licensee with whom they are working about any special concerns or issues regarding the condition of the property, state of the title or other problems that may surface during the transaction.

Listing Property For Sale

Listing Agreements	
Multiple Listing Services	Seller Costs and Expenses
Taxes & Withholding on Real Property Conveyances	Omitted Property Tax

Property Condition, Investigation & Disclosure

Seller's Common Law Disclosure Duties	Seller's Property Disclosure Statement
Professional Home Inspections	Defective Products and Materials
Repairs and Remodels	Sewer and Septic Systems
Wells	Well Flow Tests
Underground Oil Storage Tanks	Environmental Hazards
Woodstoves	Mold
Smoke Alarms	Carbon Monoxide Alarms
Deaths, Crimes, and External Conditions	Neighborhoods

Document Inspection and Investigation

Information Generally	Real Estate Sales Form (Sale Agreement)
Financing	Title Report and Commitment
Homeowners' Insurance	Square Footage and Acreage
LeadBased	Paint Disclosure Form
Historic Property	Additional Information

LISTING PROPERTY FOR SALE:

Listing Agreements:

Oregon law requires that an agreement authorizing or employing a broker to sell real estate for compensation or commission be in writing. Such agreements are called "listing agreements." A listing agreement is simply a written contract between the seller and their broker. The contract will contain the authorizations the broker needs to place the property in a multiple listing service, advertise and otherwise market and sell the property on the seller's behalf. Listing agreements contain important terms regarding how the property will be marketed, the asking price for the property, the obligations of both broker and seller, the duration of the listing, the broker's compensation and other terms and conditions. Many listing agreements contain what are called "liquidated damages" clauses. Such clauses should be read carefully as they establish the damages that may be due the broker if the seller terminates the listing agreement without cause. Most listing agreements have a provision that determines how any forfeited earnest money will be distributed between seller and broker. Sellers should carefully read the listing agreement and go over its terms with their broker before signing.

Multiple Listing Services:

A multiple listing service, called an "MLS," provides information to real estate professionals who subscribe to the service about properties that are for sale in the area. Filing a listing with the MLS exposes the property to active real estate professionals in the local area. As such, it is a powerful marketing tool. The MLS is also a way for listing brokers to offer compensation to other brokers who may know of a suitable buyer. This cooperative feature of the MLS allows the listing brokers to share part of their commission with a buyer's agent. It is the ability to attract buyers through their agents that makes the MLS such an effective marketing tool. MLS data and remarks are a form of advertising and, as such, must be accurate and truthful. Sellers should, therefore, review MLS data and remarks for accuracy and bring any discrepancies or concerns to the attention of their agent. If personal property such as refrigerators, other appliances, furniture, tools, implements or accessories is listed as "included" in the MLS data, they become part of what is being offered for sale. It is like advertising that a car being sold includes floor mats. Once such items are advertised as "included," the seller cannot unilaterally change their mind without risk of legal liability even if the items are not specifically listed in the contract for sale. Unless the Seller provides specific qualifiers, (i.e. a full price offer includes the following personal property) the buyer likely will be entitled to these items even if not specifically included in the sale agreement.

Seller Costs and Expenses:

Selling real property involves a certain amount of expense. The seller's exact costs and expenses depend on the property being sold and the terms of the transaction. Sellers should anticipate these expenses and plan for them at the time they list property for sale. Although accounting, financial consulting and tax advice are beyond the scope of a real estate licensee's expertise, the seller's real estate agent can help the seller estimate some of the costs and expenses that will be associated with the sale. Seller costs and expenses include everything from moving expenses to the mortgage payoff. Certain transaction costs, called "closing costs," are typically paid by the seller. These include title insurance, escrow fees, legal fees, recording fees and the like. Most real estate contracts have provisions for seller-paid repairs that are identified during the buyer's inspection of the property. Depending on the market and other factors, the seller may agree to pay some of the buyer's closing costs. Such payments from seller to buyer are called "seller concessions." Typically, at the time of closing the seller will pay any sales commissions agreed to in the listing agreement.

Taxes and Tax Withholding on Real Property Conveyances:

The sale of real property can generate tax liability at the local, state and federal levels. Although unusual in Oregon, some local jurisdictions may charge a transfer tax when real property is sold. Sellers should check with their agent or their local government tax office. Tax liability issues are beyond the expertise of a real estate licensee. . Income from conveyance of real property located in Oregon by nonresidents is subject to income tax withholding at the time of sale. Certain "authorized agents" (typically escrow companies) must withhold the tax and remit it to the Oregon Department of Revenue. There are a number of exceptions to the withholding requirement. Some exceptions require the seller to sign an exempt status statement under penalty of perjury. Others require the advice of a tax professional, review of Oregon statutes and the Internal Revenue Code. Such review and advice is beyond the expertise of an Oregon real estate licensee.

Omitted Property Tax:

Oregon statutes require tax assessors to correct tax roll omissions when they are discovered so that everyone pays their fair share of taxes. Property or value that is omitted in error from the tax rolls is called omitted property. County tax assessors often become aware of omitted property at the time a home is being marketed for sale. Some assessors hire people to look at the MLS, sales prices and other information, searching for indications that remodeling has taken place or other signs that properties are underassessed. When assessors find omitted property, they notify the owners and add the property to tax rolls. The law allows them to assess the property in previous years as well, up to five years. Once omitted property is added to the tax rolls, the assessment becomes a lien on the property that the owner must pay or risk foreclosure. Because most people are not willing to purchase property with liens for prior years, property owners must pay taxes that are due when they sell the property. A property tax assessment for omitted property can impact both buyers and sellers. Sellers may have to pay an unanticipated part of the sales proceeds to the tax assessor. Sellers may receive a demand for a reimbursement from a title company that had to pay a buyer for undisclosed tax obligations. Seller should consider purchasing a seller's policy of title insurance. If you have questions or concerns about your property, contact the county tax assessor ([click here for local tax assessor information](#)). Tax liability issues are beyond the expertise of a real estate licensee.

PROPERTY CONDITION, INVESTIGATION & DISCLOSURE

Seller's Common Law Disclosure Duties:

Under Oregon law a seller must disclose to the buyer any material defects known to the seller that would not be readily apparent to a buyer. Oregon civil law also imposes on all parties to a contract a duty of good faith and fair dealing. This contractual duty prohibits deceit, fraud or design to mislead in the formation and performance of contracts. Taken together, these legal obligations require certain disclosures to purchasers when selling real property in Oregon. A seller in Oregon cannot remain silent if they know of some hidden defect that affects the value or desirability of the property. Such defects are considered "material" and must be disclosed. The "defect" may be in the condition of the property or its title or use or, in some cases, even surrounding conditions or future use. The key is that the defect must be known to the seller, affect the value or desirability of the property and not be readily apparent to a buyer. Failure to disclose such defects can result in lawsuits for damages or to rescind the sale. Given the consequences, any doubt about disclosure of potential defects should be resolved in favor of disclosure. For instance, if the roof leaked last winter and was repaired it would be wise to disclose the leak and repair in a sale taking place the following summer. That way, if the repair proves inadequate during the next rainy season, there will be no question that the sellers misled the buyer by "hiding" the leak and repairs. At the same time, a problem fixed years ago that has caused no further problems would not need to be disclosed. Where the line is drawn in a specific instance is a matter sellers should discuss with their real estate agent.

Real estate licensees are not property inspectors or legal experts. They can, however, assist sellers in understanding and meeting their disclosure duties. All real estate licensees in Oregon have an obligation of honesty and fair dealing to all parties to a real estate transaction. Licensees, therefore, cannot be party to any attempt to deceive or mislead a buyer. Under Oregon law, withholding material information from an agent with the intent that the agent innocently misrepresents the property to another is considered a form of fraud.

Seller's Property Disclosure Statement:

In Oregon, most sellers of residential property are required to fill out, sign and deliver to prospective purchasers a statutory property disclosure form. The form, which covers everything from title status to dwelling systems and fixtures, is set out in ORS 105.464. Because the form is statutory, it cannot be changed or modified. All questions on the statutory form must be answered based on the actual knowledge of the seller at the time an offer is made on the property. A copy of the statutory disclosure form can be found online here. Unless the seller qualifies for one of the narrow exclusions contained in the statute, or the buyer is not purchasing the property for his immediate family to live in, the completed disclosure form must be delivered to every buyer who makes a written offer on the property. If the seller fails to comply with the statute, the buyer is entitled to revoke their offer at anytime prior to actually closing the sale. If the seller does deliver the disclosure statement, the buyer's ability to revoke is limited to five business days after delivery. The exclusions available under the statute are listed on the first page of the disclosure form. They include the first sale of a dwelling never occupied, sales by financial institutions, sales by court appointed receivers, trustees, personal representatives and the like and sales by government agencies. All other sellers of residential real property being sold as a residence for the buyer or their immediate family must answer questions the legislature has determined are relevant in the purchase of residential property.

The disclosure statement questions may be answered "yes," "no," "unknown" or in limited circumstance "NA." Answering "unknown" to avoid disclosure of known information can be considered a form of fraud. A number of questions, if answered "yes," require that an explanation or copy of a report or other document to be attached to the disclosure statement. Because the disclosure statement must be filled out by the seller based on the seller's actual knowledge at the time of disclosure, real estate licensees cannot fill out the form for the seller or influence the seller's answers in any way. Real estate licensees are, however, required to make the seller aware of the seller's disclosure duties under the statute.

Professional Home Inspections:

Most real estate licensees in Oregon advise the buyers they represent that obtaining a professional home inspection is the single most important thing a buyer can do for their protection. Most buyers take the advice to heart. Lenders will sometimes require a pest and dry rot inspection before they will lend money on a property. Sellers, therefore, should anticipate one or more professional home inspections will be conducted by inspectors hired by potential purchasers. The resulting inspection reports will provide the buyer with detailed information about the home's physical condition, its systems and fixtures and usually note any potential future problems. Real estate contracts in common use in Oregon contain inspection contingencies that allow the buyer to withdraw from the transaction based on the content of the inspection report. These contingencies are typically what are called "buyer satisfaction" contingencies. That means the buyer can withdraw if they are dissatisfied with the overall condition of the property as revealed in the report and do not need to pinpoint specific material defects. Buyers may, however, identify specific issues and ask the seller to make repairs at the seller's expense. In some cases, particularly under government backed VA or FHA programs, the buyer's lender may require certain repairs as a condition of the loan. Although the seller is not required to make such repairs, failure to agree on repairs can lead to the buyer withdrawing from the transaction. Should a transaction fail because of an inspection report, the seller will usually have the contractual right to demand a copy of the inspection report the buyer is relying upon. It is a good idea for the seller to demand the report so there will be no question that the seller deliberately turned a blind eye to potential problems. Under the seller's property disclosure statute, any professional inspection done within three years of the date of the disclosure must be disclosed. The disclosure is one of those that require additional explanation or documentation. This provides the seller with a vehicle for disclosing the sale and the inspection report to eliminate any later claim the seller tried to hide the true condition of the property from the next buyer. In anticipation of selling the property, some sellers will have a professional inspection done and any required repairs made prior to marketing the property. If the seller decides to hire an inspector, they should carefully review the inspector's proposal to determine the scope of the inspection. Some home inspectors may not inspect heating and cooling systems, the roof or other systems or components. A home inspection should be done by a home inspector or contractor licensed by the Oregon Construction Contractors Board (CCB). Inspector requirements and standards of practice for inspectors are available online here. The license status of home inspectors can be checked here. Pest control operators who do inspections and treatment are licensed by the Oregon Department of Agriculture. Sellers can check on licensing of pest control operators and applicators by calling the Oregon Department of Agriculture at (503) 9864550 or online at www.oda.state.or.us/dbs/search.lasso#pesticide. If the seller does have an inspection done, they should not allow a potential buyer to rely on the seller's inspection. All buyers should be advised to contract and pay for their own inspection. Inspection of property is beyond the scope of expertise of a real estate licensee, but real estate licensees can provide sellers with a list of local inspectors. Licensees ordinarily will not recommend a specific inspector. Before hiring an inspector, the seller should check with the CCB to determine the inspector's current license status and whether there are any past or pending claims against the inspector.

Defective Products and Materials:

Some materials used in home construction have been subject to a recall, class action suit, settlement or litigation. These materials include modern engineered construction materials used for siding, roofing, insulation or other building purposes. It is critical that a seller carefully review any notices, settlements or other information they may have received regarding such materials. The seller's property disclosure statement contains several questions about such materials. Homes may also contain products in their systems or fixtures that are, or have been, subject to a recall, class action suit, settlement or litigation. Plumbing, heating and electrical systems, among others, may contain such products. It is critical that a seller carefully review any notices, settlements or other information they may have received regarding such materials. If there is any doubt about systems or fixtures, the seller should arrange for a suitable inspection. A real estate licensee can often help the seller find an inspector with the proper knowledge and credentials, but inspection of property for such products is beyond the scope of a real estate licensee's expertise.

If any repairs are required during the transaction, the seller should make sure a licensed construction contractor is doing the repairs. Information about individual contractors is available here. After the repairs have been done, the seller should consider having a reinspection done to assure the repairs were done properly. Such reinspections are often made a term of the sale contract when repairs are made during a transaction.

Sewer and Septic Systems:

Whether the property is connected to a city sewer, septic system or other onsite wastewater treatment system is important information. The condition of such systems can be highly material in a real estate transaction and a seller should always verify the type of sewage system present on the property even if this information is provided in the MLS data sheet or Seller's Property Disclosure Statement. Real estate licensees are not licensed to do plumbing or septic inspections. If the property is serviced by a septic system, a septic system inspection should be completed by an approved Onsite Wastewater Inspector. Sellers can avoid potential transaction problems by checking permitting and system status prior to marketing. A list of certified Onsite Wastewater Installers and Maintenance Providers, many of whom perform Existing System Evaluations, can be found on the Department of Environmental Quality website <http://www.deq.state.or.us/wq/onsite/certification.htm>.

If a septic system inspection is completed, be sure to have an "Existing System Evaluation" form completed by the approved Onsite Wastewater Inspector for the buyer's own records. Additional information can be found at: <http://www.oregon.gov/deq/WQ/Pages/onsite/SepticSmartHome.aspx>

Read more important information (Provided by the Department of Environmental Quality) regarding do's and don't's about your septic system and how to be "septic smart" as a homeowner.

Wells:

If domestic water for the property is supplied by a private well, the seller is required by state law to test the well for total coliform bacteria, arsenic and nitrates through an accredited laboratory. The seller must report the lab results to both the Oregon Health Authority and the buyer within 90 days of receiving them. A Domestic Well Testing Transaction form should be submitted to the Oregon Health Authority, with the lab test results, and can be found here. The test results are valid for one year and sellers should verify that the proper sampling and testing procedures are performed when having the well tested. More information on this state law requirement can be found here. Sellers may also want to have the well tested for other potential contaminants to further determine water quality, but are not required to do so. More information on this state law requirement can be found here. Proper procedures need to be used when testing domestic wells. More information on this state law requirement can be found here. Oregon also requires that all private wells not already registered with the state of Oregon be registered at the time the property is transferred. Real estate forms in use in Oregon often delegate to the buyer the responsibility for registering the well with the Oregon Water Resources Department (OWRD). A useful guide to the OWRD Well Identification Program can be found by clicking here. For more information on Domestic Wells, visit www.HealthOregon.org/wells.

Well Flow Tests:

If domestic water is supplied by a private well, the seller will want to make certain the well provides adequate water for domestic needs. It is strongly recommended that a wellflow test be conducted prior to marketing of any property that depends on a well for domestic water. Careful attention should be paid to disclosures or representations about wells. The seller should not allow the buyer to rely on a test done for the seller. The buyer should be advised to contract and pay for their own wellflow test. Sellers should review any well records they may have as buyers will usually ask to see such records. Interested sellers can obtain more information about well logs here. To access the well log database online, click here. While real estate licensees are not trained and do not have the expertise to test wells, they should be able to direct the seller to the appropriate well professionals. Disclosures and disclaimers regarding domestic wells are common in real estate transactions and should be reviewed with the seller's agent as part of contract negotiations.

Underground Oil Storage Tanks:

Sellers should be aware of potential problems associated with underground oil storage tanks. Such tanks can cause serious problems if they have leaked oil. Underground oil tank leaks can create serious potential liability for sellers even if they do not know of the leak. Oil storage tanks, including home heating oil tanks, are closely regulated in Oregon. An explanation of Oregon laws concerning home heating oil tanks can be found [here](#). A seller who knows or suspects that property has an underground storage tank should take appropriate steps to protect his own interests, including seeking information from the Department of Environmental Quality (DEQ) and, if necessary, consulting with an environmental hazards specialist or attorney. *Sellers are advised to hire appropriately trained environmental professionals to inspect the property if an underground oil storage tank is found or suspected.* Oil storage tank inspection, decommissioning and cleanup requires a special license from DEQ. A list of licensed providers can be found [here](#). Inspection, decommissioning and cleanup of oil tanks can take time. Sellers who are aware of the existence of a tank should, therefore, begin the process early to avoid transaction delays. Real estate licensees are not trained or licensed to provide advice or services regarding underground oil storage tanks, but can assist the seller in finding the proper professionals.

Environmental Hazards:

Environmental hazards include everything from expansive soils to landslides to forestfires, tsunamis, floods and earthquakes. Environmental hazards can also include indoor air quality (e.g., radon, mold, or carbon monoxide) and hazardous materials, like asbestos. Environmental hazards known to the seller must be disclosed to all buyers. Sellers in doubt about such hazards should check with the county in which the property is located. Oregon counties can be located [here](#). Wildfire is a concern in some areas of Oregon. Information about the risk of wildfire is available from the Oregon Department of Forestry [here](#). Some homeowners are subject to special rules under the State's "ForestlandUrban Interface Classification." Owners of property within the classification should complete a "Property Evaluation and SelfCertification" to avoid potential future liability. ForestlandUrban Interface status must be disclosed on the Seller's Property Disclosure form. Information about the ForestlandUrban Interface and on the evaluation and certification program is available [here](#). Real estate licensees do not have the expertise to advise homeowners on fire protection requirements but can often direct owners to the appropriate professionals. If flood status is an issue because of insurance restrictions, claims or past history, the seller should bring the matter to the attention of their agent and be prepared to make the appropriate disclosure to buyers. Flood plain maps and information are available [here](#). Real estate licensees do not have the expertise to assess flood potential but can often direct sellers to the appropriate local authorities. If environmental issues have been a problem in the area, or the seller has any notice of potential problem with air quality, ground or water contamination or other problems with the area or property, the seller should bring the matter to the attention of their agent and carefully consider disclosure obligations to potential buyers. If in doubt about potential hazards, the seller should visit the Environmental Protection Agency (EPA) website [here](#). Information about specific contaminated sites that have been reported to the government can be found [here](#) and, for sites specific to Oregon, [click here](#). Real estate licensees are not trained and do not have the expertise to discover and evaluate environmental hazards. Sellers, therefore, are advised to hire appropriately trained environmental professionals to inspect the property and its systems or fixtures for environmental hazards if there is any question regarding environmental hazards.

Woodstoves:

The Oregon Department of Environmental Quality (DEQ) has developed a statewide woodstove program to promote the use of cleaner burning woodstoves that burn wood more efficiently and with less pollution. Under Oregon law, no person may sell, offer to sell or advertise to sell a used, noncertified woodstove. Noncertified woodstoves (including fireplace inserts) and older models (mostly pre-1985) that have not been certified by the DEQ or the federal Environmental Protection Agency to meet cleaner burning smoke emission standards. Individual communities in Oregon may have additional rules governing the sale of or use of woodstoves and fireplaces. The seller should ask their agent for assistance or check with appropriate local government agencies. County websites can be found by [clicking here](#) and cities can be found by [clicking here](#). General information about woodstove regulation in Oregon is available [here](#). Inspection of fireplaces and woodstoves requires special training and expertise. Although a real estate licensee may be able to help you find a local woodstove professional, they cannot themselves inspect or evaluate a woodstove.

Mold:

Molds are one of a variety of biological contaminants which can be present in human structures, including in residential housing. Some molds have been identified as possible contributors to illness, particularly in infants, elderly, people with suppressed immune systems, and those with allergies and asthma. Less well known, and far less common, are certain molds identified as possible contributors to illness, particularly in people with allergies. Serious mold problems usually involve property with defective siding, poor construction, water penetration problems, improper ventilation or leaking plumbing. In a few cases, these problems have led to the growth of molds which caused medical conditions in some people. Sellers who have any knowledge or notice of molds in their property should arrange for inspection by a qualified professional. Information on moisture intrusion and mold problems associated with human structures can be found here. Inspection, discovery and evaluation of specific water intrusion or mold problems requires extremely specialized training and is well beyond the scope of a real estate licensee's expertise. Sellers are, therefore, advised to hire appropriately trained professionals to inspect the property if the seller is concerned about the possibility of harmful molds. Any mold condition, whether believed harmful or not, should be disclosed to your agent and any potential buyer.

Smoke Alarms:

In Oregon, no person may sell a dwelling unless there is installed in the dwelling unit an approved smoke detector or smoke alarm installed in accordance with the rules of the State Fire Marshall. Because of this state law requirement, most residential real estate sale forms contain a representation by the seller that, at the earlier of possession or closing date, the dwelling will have an operating smoke detector as required by law. Sellers should anticipate the smoke alarm requirement and make sure their property is properly equipped prior to marketing the property. The power supply of a smoke alarm shall be a commercial power source, an integral battery or batteries or combination of both (OAR 837.045) Smoke alarm power source requirement is based on what was required at the time of construction or remodel. Battery operated ionization smoke alarms sold or used in Oregon must have a 10year battery and a "hush" mechanism which allows a person to temporarily disengage the alarm. According to the National Fire Protection Association, National Fire Alarm Signaling Code (7214.4.7.1) "Unless otherwise recommended by the manufacturer's published instructions, single and multiple station smoke alarms installed in oneand twofamily dwellings shall be replaced when they fail to respond to operability test, but shall not remain in service longer than 10 years from the date of manufacture."(NFPA 72). All dwellings must have the proper type, number and placement of alarms as required by the building codes at the time the dwelling was constructed but not less than one alarm adjacent to each sleeping area and at least one alarm on each level of the dwelling. (Additional rules apply to rental property.) Information about smoke alarm and detector requirements in Oregon can be found on the State Fire Marshal's web site by clicking here. Real estate licensees are not trained in building code or fire code compliance. If there is any doubt about whether a smoke alarm or detector system complies with building and fire code requirements, a licensed home inspector, or the home alarm or detector company, should be contacted. Your real estate agent may be able to assist you in finding the right code compliance professional.

Carbon Monoxide Alarms:

Any person transferring a one or two family dwelling or multifamily housing (additional rules apply to rental property) that contains a carbon monoxide source (heater, fireplace, appliance, or cooking source that uses coal, wood, petroleum products, and other fuels that emit carbon monoxide as a byproduct of combustion. Petroleum products include, but are not limited to kerosene, natural gas and propane. Fuel burning sources also include wood and pellet stoves, and gas water heaters, or has an attached garage with a door, ductwork, or ventilation shaft that communicates directly with a living space) must provide a properly functioning carbon monoxide alarm(s) installed at the location(s) that provide carbon monoxide detection for all sleeping areas of the dwelling or housing (on all levels of the home where there are bedrooms). Homes built during or after 2011, or undergoes a remodel or alteration that requires a permit, CO alarms are required regardless of the presence of a CO source. The alarm(s) must be installed in accordance with the rules of the State Fire Marshall and in accordance with any applicable requirements of the state building code. Information about carbon monoxide alarms and detector requirements in Oregon can be found on the State Fire Marshal's web site by clicking here. A purchaser or transferee who is aggrieved by a violation of this requirement may bring an individual action in an appropriate court to recover the greater of actual damages or \$250 per residential unit (plus fees, including attorney's fees). Violation of this requirement does not invalidate any sale or transfer of possession. Actions for violations must be brought within one (1) year of the sale or transfer of possession. Because of this state law requirement, most residential real estate forms will contain a representation that, at the earlier of possession or closing date, the dwelling will have an operating carbon monoxide detector as required by law. Sellers should anticipate the carbon monoxide alarm requirement as it is also included on the new seller's property disclosure form. Real estate licensees are not trained in building code or fire code compliance. If there is any doubt about whether a carbon monoxide alarm complies with the building or fire code requirements, a licensed home inspector, or the alarm company should be contacted.

Deaths, Crimes and External Conditions:

In Oregon, certain conditions on or near real property that may be of concern to buyers are considered not to be "material" by state law. Oregon Revised Statute 93.275. Ordinarily, "material facts" must be disclosed by the seller or the seller's agent. However, because state law declares certain facts to be not material, sellers are not held responsible for disclosing them as might otherwise be the case. Facts that would be subject to disclosure but for the statute include the fact that the property was the site of a death, crime, political activity, religious activity, or any other act or occurrence that does not adversely affect the physical condition of, or title to, real property, including that an convicted sex offender resides in the area. Although the seller is not required to disclose such facts, they may elect to for instance disclosing a pedophile living next door to buyers with small children. Under Oregon law, neither the seller nor their agent is allowed to disclose that an owner or occupant of the real property has or had human immunodeficiency virus or acquired immune deficiency syndrome

Neighborhoods:

Neighborhoods change over time. Some of these changes can affect the value or desirability of property. Building permits, zoning applications and other planning actions are a matter of public record and notice. Any notice of planning actions in the area, or even knowledge of future plans by neighbors or the government, that the seller has should be discussed with their real estate agent to determine what, if any, disclosure should be made to buyers. Information about planning departments can be found on the county or city website. City information is available by clicking here. State road building projects information is available from the Oregon Department of Transportation here. Location within a school district can be an important attribute of a neighborhood. School boundaries, however, are subject to change. If location within a particular school district is going to be advertised to attract buyers or justify the asking price, the seller should investigate the boundaries and the likelihood of change by contacting the school district directly. Oregon law provides a "just compensation" right for some Oregon property owners if a public entity enacts or enforces a land use regulation that has the effect of reducing the value of the property. Sellers who believe the value of their property is affected by Oregon's property compensation laws are advised to seek the counsel of appraisers, attorneys or other land use professionals.

DOCUMENT INSPECTION AND INVESTIGATION

Information Generally:

Information from third parties regarding real estate and a real property transaction is not usually verified by real estate licensees. It is the responsibility of the seller to read the documents the seller is depending on in answering questions about the property. Interpretation of many documents involved in a real property transaction requires the practice of law and is beyond the scope of a real estate licensee's expertise. *Sellers uncertain about the legal effect of transaction documents should consult an attorney.*

Real Estate Sales Form (Sale Agreement):

A contract for the sale of real property must be in writing to be enforceable in Oregon. *A verbal offer or acceptance should not be made or relied upon.* Contracts for the sale of property are often called "earnest money" or "sale agreements." They are legally binding contracts. Sellers should seek competent legal advice before signing any contract they do not fully understand. Sale agreements usually include provisions concerning who will hold the earnest money and under what conditions it may be refunded to the buyer or forfeited to the seller. Sellers should carefully review these provisions in any proposed transaction. The amount of earnest money pledged and the conditions under which it may be refunded or forfeited are important matters that should be carefully negotiated between the buyer and the seller. Most sale agreements are written using a standard form. In Oregon, most licensees use a form developed specifically for Oregon real property transactions. Many of these forms contain dispute resolution provisions that require mediation or arbitration of disputes. Arbitration and mediation clauses can affect legal rights, including the right to a judicial determination of a claim and the right to appeal. Sellers are responsible for selecting the terms and conditions of their agreement. Real estate licensees can give sellers important marketing, business and negotiating advice. Real estate licensees can assist in preparation of the sale documents only pursuant to the client's instructions. Real estate licensees are not attorneys and are prohibited by law from giving legal advice. To obtain a referral for a real estate attorney, visit the Oregon State Bar website or contact them by phone at 5036200222 (Local) or 8004528260 (Toll Free).

Financing:

The buyer's ability to finance the property is an important contingency in most residential transactions. Buyers must act in good faith and use best efforts to obtain a loan if the sale is contingent upon obtaining a loan. Buyers often seek preapproval from a lender prior to writing an offer. Sellers often demand such letters as part of the transaction process. Sellers should discuss the use of preapproval common forms as the Oregon Residential Loan Application Status Report, with their agent. A copy of the Oregon Residential Loan Application Status Report can be found by clicking [here](#). A preapproval letter should state that the lender has reviewed the buyer's credit report, income requirement and cash to close. The lender then preapproves the buyer for the loan, subject to an acceptable appraisal of the property. The appraiser will normally work for the lender, not the seller. Appraiser certification and licensure can be checked by clicking [here](#). Once the appraisal has been received, the loan underwriter authorizes final loan approval. Most residential sale agreement forms contain a provision that allows the buyer to cancel the transaction if the property appraises for less than the purchase price. Only when the appraisal and underwriting process is completed will an actual loan be secured. The entire financing process varies depending on the property and type of financing involved. If the seller anticipates a "short sale" where the asking or accepted price is insufficient to cover the seller's total indebtedness, the time necessary to arrange financing may be greatly increased. If the seller is asked to finance any part of the transaction, the buyer's financial status will become material to the transaction. A real estate licensee cannot hide material information from any party to a real estate transaction and should not be asked to do so by the seller or buyer.

Title Report and Commitment:

Most real estate transactions are contingent on the buyer's approval of the preliminary title report and any conditions, covenants and restrictions (CC&Rs) attached to the property. The seller will be required to obtain, and pay for, a report and provide it to the buyer. The report, produced by a title insurance company, contains important information that should be reviewed by the seller, if possible, prior to marketing. In particular, a title report will list certain "exceptions" to the policy the title company will issue for the property. Exceptions can make the seller's title undesirable or even unmarketable. Title exceptions should, therefore, be carefully reviewed. General information about title issues can be found by clicking [here](#). Questions about the title report and associated documents can be directed to the title or escrow officer issuing the report or to the seller's attorney. Review of title reports for legal deficiencies involves the practice of law and is beyond the expertise of a real estate licensee.

Homeowners' Association Documents, Covenants, Conditions, and Restrictions:

Covenants, conditions and restrictions, called "CC&Rs," are formally recorded private limitations on the right to use real property. Often, but not always, CC&Rs are enforced by a homeowners' association. Review of the CC&Rs is typically part of a real estate sale. Although real estate licensees are familiar with common CC&R provisions, determining the legal effect of specific provisions is considered the practice of law in Oregon and, therefore, beyond the expertise of a real estate licensee. Homeowners' association rules and regulations can significantly impact a buyer's plans for the property and, therefore, affect price or desirability. Planned communities and condominiums are very likely to have detailed homeowners' association governing documents, mandatory fees and ongoing homeowner obligations. Governing documents, fees and homeowner obligations should be reviewed by the seller prior to marketing so that any potential issues may be identified.

Homeowners' Insurance:

The insurance claims history for a home may affect the cost of homeowners' insurance, or even its insurability. Most insurance companies use a database service called the Comprehensive Loss Underwriting Exchange (CLUE) to track claims made. Depending on the content of the CLUE report, and the insurance company's policy, home insurance may prove more difficult to get than expected. Sellers who have made claims on their homeowner's insurance (especially for flooding or water intrusion) may want to check their CLUE Report prior to marketing the property to make certain buyers will not have difficulty obtaining insurance.

Square Footage and Acreage:

The square footage of structures and acreage data found in MLS printouts, assessor records and the like are usually just estimates and should not be relied upon. Many Oregon properties have not been surveyed and their exact boundaries are not known. Square footage or land size is often material considerations in a purchase. The seller should therefore be very careful about making square footage and acreage representations. It is a good idea to warn buyers that all structures and land should be measured by the buyer or a licensed surveyor. Such measurement or verification is often made an express contingency of the agreement. If property boundaries are in doubt in any way, the seller may elect to have the property surveyed prior to putting it up for sale. Any representation of square footage should state the source (e.g. per assessor) and contain a "more or less" or other accuracy disclaimer.

LeadBased:Paint Disclosure Form

Residential property built before 1978 (subject to the Residential LeadBased Paint Disclosure Program administered by the Environmental Protection Agency (EPA) and the Department of Housing and Urban Development (HUD). The Act requires sellers to provide the buyer with a leadbased paint disclosure and the pamphlet entitled Protect Your Family From Lead in Your Home. Information about the requirements and samples of the forms can be found by clicking here. Owners of homes built before 1978 should anticipate and discuss with their agents their obligations under the disclosure statute. It is the seller's responsibility under federal law to see to it the buyer receives the disclosure and pamphlet. Sellers of pre1978 housing should ask their real estate licensee about leadbased paint disclosures. Information about leadbased paint and companies certified and licensed to conduct leadbased paint testing or perform abatement, can be found at the Department of Human Resources by clicking here. If you are planning renovation, repair, or painting (RRP) on a home built before 1978, you should be aware of EPA rules that require such work be done by certified contractors who must follow EPA work guidelines. This may complicate or add expense to such projects. RRP rules in Oregon are jointly administered and enforced by the Construction Contractors Board (CCB) & the Oregon Health Authority. For information, click here. Homeowners who do their own work in their own home are exempt from RRP rules. EPA does, however, urge homeowners to read EPA's Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools. Homeowners can also call the National Lead Information Center at 1800424LEAD (5323). For more information or visit EPA's website by clicking here.

Historic Property:

It is important for the buyer to determine whether a property is considered a historic property and therefore subject to a special assessment providing for tax benefits to the owner of the property. These properties are listed on the National Register of Historic Places. For more information click here. It is important for buyers to understand how to retain the tax benefits afforded to the property. The newest version of the Historic Property Tax Benefit Program not only reduces the benefit from 15 to 10 years but provides increased accountability on owners. Additionally, the law allows for a second 10year renewal of the benefit so long as the local government has not passed a resolution prohibiting the renewal. The lack of a renewal of the special assessment or failing to comply with the requirements and deadlines contained in the law could result in the loss of the special assessment and a substantial increase in the new owner's property taxes as well as potential fines. More information on the Historic Property Tax benefit Program including statutes, rules and applications can be found here. Buyers should carefully review closing documents and inquire into all requirements of the Historic Property Tax Benefit Plan when presented with a Historic Property Addendum. Real estate licensees are not trained or licensed to provide tax advice.

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