

Legal Questions & Answers

September 2016

Question: Are licensed brokers allowed to conduct open houses for homes that are being sold as “For Sale by Owner” and if so, what type of paperwork should be signed by the homeowner?

Answer: It would be prudent for the broker to consider entering into a limited service agreement with the seller in order to address the specifics of his or her involvement within the property. This will provide some protection to the broker, as it will define their relationship and set the parties’ expectations.

Question: If a lender will not approve a buyer’s loan without the installation of a carbon monoxide detector, is the seller obligated to extend the closing date until the detector is installed and the loan is approved?

Answer: If the seller is required under state law to have a carbon monoxide detector in the home, then it may be considered unreasonable for the seller to refuse to extend the closing date in order to have one installed. However, if state law does not require the detector, then the lender’s own requirement does not necessarily bind the seller, and the seller may be able to choose not to extend the closing date.