

**SELLER DISCLOSURE STATEMENT****GENERAL COMMENTS:**

- A. REQUIRED BY STATE LAW.** RCW 64.06 requires this form to be used in all transfers of residential real property, including multi-family dwellings up to four units, new construction, condominiums not subject to a public offering statement and certain time shares. Buyer has three days to rescind the purchase and sale agreement after Seller provides a completed Form 17 to Buyer. If Seller fails to provide the form to the Buyer as required, the Buyer retains the right to rescind the contract at any time prior to closing. Buyer has three days to rescind the purchase and sale agreement after Seller provides a completed Form 17 to Buyer.

There are certain transfers of real property that are excepted from RCW 64.06 where Seller is not required to provide Form 17 to Buyer. The most common is a transfer made by the personal representative of an estate or by a trustee in a bankruptcy. The complete list of exceptions is set forth in RCW 64.06.010.

There are likely to be many questions about how to comply with this law. If you have any questions, consult your designated broker or advise your client to obtain legal advice.

- B. DO NOT ALTER OR AMEND THIS FORM.** The law that requires use of this form is very specific. The statute sets out the wording of the questions that must appear on this form. Under no circumstances should you or Seller alter the wording of any of the questions or any other part of the form without advice of legal counsel.

- C. WAIVER BY BUYER.** Under the law, Buyer may waive the right to receive the Seller Disclosure Statement. In that event, Seller has no obligation to provide Form 17 and Buyer does not have the right to rescind the agreement based on disclosures that otherwise would have been made by Seller.

However, if any of the answer to the questions in the Environmental section of Form 17 is "yes," Buyer may not waive the right to receive that section of the form and Seller must provide at least that section of the form to Buyer (even if Buyer waives the right to receive the balance of the form).

- D. ADDITIONAL INFORMATION FOR SELLER.** Seller must complete this form and give it to Buyer within five days of mutual acceptance of the purchase and sale agreement. If Seller does not provide Form 17 (and Buyer has not waived the right to receive it), Buyer will have the right to rescind the transaction at any time up until closing.

The disclosures must be made on the basis of Seller's actual knowledge at the time of the disclosure. However, if Seller later becomes aware that the original disclosures are inaccurate or incomplete from a source other than Buyer or others acting on Buyer's behalf (e.g. Buyer's inspector), then Seller must amend the disclosure statement and provide the amendment to Buyer. In giving Buyer an amended Form 17, Buyer will have a renewed three day right of rescission. Seller does not have to amend the disclosure statement if Seller takes corrective action that will restore the accuracy of the disclosures.

- E. ADDITIONAL INFORMATION FOR BUYER.** Buyer has the right to rescind the purchase and sale agreement, at any time within three days from Seller's delivery of Form 17. Buyer's decision to revoke or rescind may be made "in the Buyer's sole discretion" and Buyer does not have to identify any particular concerns about the form. If Seller amends the disclosure statement prior to closing, then Buyer will have the option of (a) approving and accepting the amendment or (b) rescinding the purchase and sale agreement within three

## SELLER DISCLOSURE STATEMENT

business days after receiving the amendment. If Seller takes corrective action to restore the accuracy of the disclosures, then Buyer will not have a right to revoke.

Buyer must give a written notice of rescission within three business days of receiving the disclosure statement. If Buyer does not timely give notice, Buyer will be deemed to have approved and accepted the disclosure form.

**F. THE FORM DOES NOT CHANGE A SELLER'S OBLIGATION TO DISCLOSE DEFECTS.** The law does not change Washington's common or case law regarding Seller's obligation to disclose material defects in the property. If there is a material defect in the property, Seller must disclose the defect to Buyer even if the Buyer waives the right to receive Form 17, Seller is exempt from Form 17, or the defect is not covered by the questions on Form 17. This disclosure requirement exists independently from Seller's duty to provide Form 17.

**G. PARTIAL EXCEPTION FOR NEW CONSTRUCTION.** If Seller is selling residential real property that is newly constructed and has never been occupied, Seller does not need to complete Item 4 (Structural) or Item 5 (Systems and Fixtures) of the form. This is a partial exception only, and if Seller is going to provide Form 17, Seller must complete all other sections.

### H. FILLING IN THE FORM

- (1) The form should be completed only by Seller(s). A real estate broker should never provide any answers. The purpose of this form is for Seller to make disclosures about the property.
- (2) If Seller answers "yes" to a question marked with an asterisk, then further explanation must be provided.
- (3) Seller has no obligation to provide copies of documents that are publicly recorded (e.g., easements of record; covenants, conditions, and restrictions; and deeds). If, however, a document is not publicly recorded, Seller must provide a copy to Buyer, if available.

**ASSISTANCE FOR SELLER FILLING IN THE BLANKS:** The following numbers refer to the numbers on the sample form shown in this Manual:

1. **Seller.** Insert Seller's name.
2. **Address.** Insert the street address (or Lot #), city and county.
3. **Seller-Occupied.** Check whether Seller is or is not occupying the property.
4. **Property Disclosure Questions (Sections 1 through 10).** Seller should answer each question. Do not leave any spaces blank. The Seller must answer on the basis of the Seller's actual knowledge. If the Seller has actual knowledge sufficient to answer a question, then the Seller should not answer "don't know." If a particular question is not applicable to the Property, Seller should check the "N/A" box next to the question.

**NOTE:** If the Seller answers "yes" to a question with an asterisk, then additional attachments or explanations are required. In addition, Seller may need to provide copies of related documents if they are available and not otherwise publicly recorded.

**SELLER DISCLOSURE STATEMENT**

5. **Environmental Section.** If Seller answers yes to any of the questions in the Environmental section, Buyer may not waive the right to receive that portion of the form.
6. **Full Disclosure By Seller.** Section 10 contains a catch-all question requiring Seller to disclose "any other existing material defects affecting the property that a prospective Buyer should know about."
7. **Seller's Verification.** Seller's signature and date verify that the answers and explanations are complete and correct to the best of the Seller's knowledge.
8. **Buyer's Acknowledgment.** Buyer should carefully review Form 17 and may sign and date the acknowledgment.
9. **Buyer's Waiver of Right to Revoke Offer.** If Buyer reviews Seller's responses to the Form 17 and wishes to approve the form and waive Buyer's right to rescind the agreement, then Buyer should date and sign in these spaces.
10. **Buyer's Waiver of Right to Receive Completed Disclosure Form.** If Buyer wishes to waive the right to receive a completed Form 17, then Buyer should sign and initial here.
11. **Additional Information.** Use this space for any additional information required by asterisked items. Attached additional pages as necessary.
12. **Seller's Initials and Date.** Seller should initial and date all the pages of the disclosure form.