



## RECEIPT OF DOCUMENTS & DISCLOSURES

Client acknowledges receipt of the following documents and disclosures:

- The Law of Real Estate Agency Pamphlet**  
*Describes your legal rights in dealing with a real estate broker.*
  
- Protect Your Family from Lead in Your Home**  
*Describes potential health hazards from lead in paint and other materials in homes built before 1978 and ways to reduce those hazards.*
  
- Sewage Treatment Capacity Charge**  
*Properties constructed after February 1, 1990 in King County and parts of Snohomish and Pierce Counties served by the King County wastewater system are subject to an additional sewage treatment capacity charge.*
  
- Mold, Moisture, and Your Home**  
*Outlines This Guide provides information and guidance for homeowners and renters on how to clean up residential mold problems and how to prevent mold growth.*
  
- Windermere Affiliated Business Arrangement Disclosure**  
*Discloses businesses affiliated with Windermere; brokers do not receive fees or income for referring clients to these businesses.*
  
- Important Information Concerning Your Disclosure Rights and Obligations**  
*Describes what sellers are required to disclose and the buyer's duty of due diligence and investigation.*
  
- Inspector Referral Disclosure**  
*Discloses that you may use the inspector of your choosing and discloses any familial or business relationship between your broker and any inspector(s) referred to you by your broker.*
  
- Fair Housing**  
*Federal and state fair housing laws were put into effect to prohibit discrimination in housing based on race, color, religion, sex, disability, familial status, and national origin.*
  
- Wire Fraud**  
*Describes precautions to take to avoid wire fraud.*
  
- Understanding Real Estate Agent Compensation**  
*Describes how real estate brokers in the transaction are paid, and by whom, and how the parties may negotiate on terms.*
  
- Sewer Scope/Inspection Advisory and Acknowledgment by Buyer**  
*Describes how sewer line problems can come as an unpleasant surprise to many new homeowners, and that Buyers are advised to Buyers of real estate are advised to obtain a Sewer Scope*

Client Initials: \_\_\_\_\_ DATE: \_\_\_\_\_ DATE: \_\_\_\_\_



# REAL ESTATE BROKERAGE IN WASHINGTON

## **Introduction**

This pamphlet provides general information about real estate brokerage and summarizes the laws related to real estate brokerage relationships. It describes a real estate broker's duties to the seller/landlord and buyer/tenant. Detailed and complete information about real estate brokerage relationships is available in chapter 18.86 RCW.

If you have any questions about the information in this pamphlet, contact your broker or the designated broker of your broker's firm.

## **Licensing and Supervision of Brokers**

To provide real estate brokerage services in Washington, a broker must be licensed under chapter 18.85 RCW and licensed with a real estate firm, which also must be licensed. Each real estate firm has a designated broker who is responsible for supervising the brokers licensed with the firm. Some firms may have branch offices that are supervised by a branch manager and some firms may delegate certain supervisory duties to one or more managing brokers.

The Washington State Department of Licensing is responsible for enforcing all laws and rules relating to the conduct of real estate firms and brokers.

# Agency Relationship

In an agency relationship, a broker is referred to as an “agent” and the seller/landlord and buyer/tenant is referred to as the “principal.” For simplicity, in this pamphlet, seller includes landlord, and buyer includes tenant.



## For Sellers

A real estate firm and broker must enter into a written services agreement with a seller to establish an agency relationship. The firm will then appoint one or more brokers to be agents of the seller. The firm’s designated broker and any managing broker responsible for the supervision of those brokers are also agents of the seller.



## For Buyers

A real estate firm and broker(s) who perform real estate brokerage services for a buyer establish an agency relationship by performing those services. The firm’s designated broker and any managing broker responsible for the supervision of that broker are also agents of the buyer. A written services agreement between the buyer and the firm must be entered into before, or as soon as reasonably practical after, a broker begins rendering real estate brokerage services to the buyer.



## For both Buyer and Seller - as a Limited Dual Agent

A limited dual agent provides limited representation to both the buyer and the seller in a transaction. Limited dual agency requires the consent of each principal in a written services agreement and may occur in two situations: (1) When the buyer and the seller are represented by the same broker, in which case the broker’s designated broker and any managing broker responsible for the supervision of that broker are also limited dual agents; and (2) when the buyer and the seller are represented by different brokers in the same firm, in which case each broker solely represents the principal the broker was appointed to represent, but the broker’s designated broker and any managing broker responsible for the supervision of those brokers are limited dual agents.



## Duration of Agency Relationship

Once established, an agency relationship continues until the earliest of the following:

1. Completion of performance by the broker;
2. Expiration of the term agreed upon by the parties;
3. Termination of the relationship by mutual agreement of the parties; or
4. Termination of the relationship by notice from either party to the other. However, such a termination does not affect the contractual rights of either party.

## **Written Services Agreement**

A written services agreement between the firm and principal must contain the following:

1. The term (duration) of the agreement;
2. Name of the broker(s) appointed to act as an agent for the principal;
3. Whether the agency relationship is exclusive (which does not allow the principal to enter into an agency relationship with another firm during the term) or nonexclusive (which allows the principal to enter into an agency relationship with multiple firms at the same time);
4. Whether the principal consents to limited dual agency;
5. The terms of compensation;
6. In an agreement with a buyer, whether the broker agrees to show a property when there is no agreement or offer by any party or firm to pay compensation to the broker's firm; and
7. Any other agreements between the parties.

## **A Broker's Duties to All Parties**

A broker owes the following duties to all parties in a transaction:

1. To exercise reasonable skill and care;
2. To deal honestly and in good faith;
3. To timely present all written offers, written notices, and other written communications to and from either party;
4. To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party. A material fact includes information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a transaction, or operates to materially impair or defeat the purpose of the transaction. However, a broker does not have any duty to investigate matters that the broker has not agreed to investigate;
5. To account in a timely manner for all money and property received from or on behalf of either party;
6. To provide this pamphlet to all parties to whom the broker renders real estate brokerage services and to any unrepresented party;
7. To disclose in writing who the broker represents; and
8. To disclose in writing any terms of compensation offered by a party or a real estate firm to a real estate firm representing another party.

## **A Broker's Duties to the Buyer or Seller**

A broker owes the following duties to their principal (either the buyer or seller):

1. To be loyal to their principal by taking no action that is adverse or detrimental to their principal's interest in a transaction;
2. To timely disclose to their principal any conflicts of interest;
3. To advise their principal to seek expert advice on matters relating to the transaction that are beyond the broker's expertise;
4. To not disclose any confidential information from or about their principal; and
5. To make a good faith and continuous effort to find a property for the buyer or to find a buyer for the seller's property, until the principal has entered a contract for the purchase or sale of property or as agreed otherwise in writing.

## Limited Dual Agent Duties

A limited dual agent may not advocate terms favorable to one principal to the detriment of the other principal. A broker, acting as a limited dual agent, owes the following duties to both the buyer and seller:

1. To take no action that is adverse or detrimental to either principal's interest in a transaction;
2. To timely disclose to both principals any conflicts of interest;
3. To advise both principals to seek expert advice on matters relating to the transaction that are beyond the limited dual agent's expertise;
4. To not disclose any confidential information from or about either principal; and
5. To make a good faith and continuous effort to find a property for the buyer and to find a buyer for the seller's property, until the principals have entered a contract for the purchase or sale of property or as agreed otherwise in writing.

## Compensation

In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms. To receive compensation from any party, a firm must have a written services agreement with the party the firm represents (or provide a "Compensation Disclosure" to the buyer in a transaction for commercial real estate).

A services agreement must contain the following regarding compensation:

1. The amount the principal agrees to compensate the firm for broker's services as an agent or limited dual agent;
2. The principal's consent, if any, and any terms of such consent, to compensation sharing between firms and parties; and
3. The principal's consent, if any, and any terms of such consent, to compensation of the firm by more than one party.

## Short Sales

A "short sale" is a transaction where the seller's proceeds from the sale are insufficient to cover seller's obligations at closing (e.g., the seller's outstanding mortgage is greater than the sale price). If a sale is a short sale, the seller's real estate firm must disclose to the seller that the decision by any beneficiary or mortgagee, to release its interest in the property for less than the amount the seller owes to allow the sale to proceed, does not automatically relieve the seller of the obligation to pay any debt or costs remaining at closing, including real estate firms' compensation.



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Northwest Multiple Listing Service  
Revised January 1, 2024  
RCW 18.86.120



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# Protect Your Family From Lead in Your Home

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United States  
Environmental  
Protection Agency



United States  
Consumer Product  
Safety Commission



United States  
Department of Housing  
and Urban Development

## Are You Planning to Buy or Rent a Home Built Before 1978?

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Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

### Read this entire brochure to learn:

- How lead gets into the body
- How lead affects health
- What you can do to protect your family
- Where to go for more information

### Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint or lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

### If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



## Simple Steps to Protect Your Family from Lead Hazards

### If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at [epa.gov/lead](https://www.epa.gov/lead).
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.



# Lead Gets into the Body in Many Ways

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## Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

## Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



## Women of childbearing age should know that lead is dangerous to a developing fetus.

- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

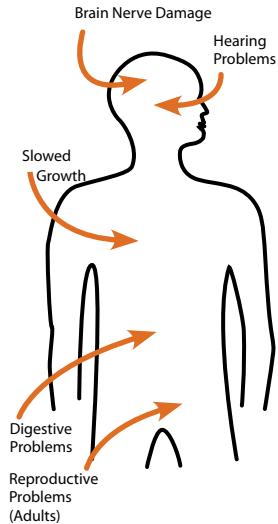
## Health Effects of Lead

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**Lead affects the body in many ways.** It is important to know that even exposure to low levels of lead can severely harm children.

### **In children, exposure to lead can cause:**

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

### **In adults, exposure to lead can cause:**

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

## Check Your Family for Lead

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**Get your children and home tested if you think your home has lead.**

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

**Your doctor can explain what the test results mean and if more testing will be needed.**

## Where Lead-Based Paint Is Found

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In general, the older your home or childcare facility, the more likely it has lead-based paint.<sup>1</sup>

**Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint.** In 1978, the federal government banned consumer uses of lead-containing paint.<sup>2</sup>

Learn how to determine if paint is lead-based paint on page 7.

### **Lead can be found:**

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](https://www.epa.gov/lead).

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<sup>1</sup> “Lead-based paint” is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm<sup>2</sup>), or more than 0.5% by weight.

<sup>2</sup> “Lead-containing paint” is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

# Identifying Lead-Based Paint and Lead-Based Paint Hazards

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**Deteriorated lead-based paint (peeling, chipping, chalking, cracking, or damaged paint)** is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

**Lead-based paint is usually not a hazard if it is in good condition** and if it is not on an impact or friction surface like a window.

**Lead dust** can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 10 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) and higher for floors, including carpeted floors
- 100  $\mu\text{g}/\text{ft}^2$  and higher for interior window sills

**Lead in soil** can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

**Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.**

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

## Checking Your Home for Lead

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You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

## Checking Your Home for Lead, continued

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In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit [epa.gov/lead](https://www.epa.gov/lead), or call **1-800-424-LEAD (5323)** for a list of contacts in your area.<sup>3</sup>

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<sup>3</sup> Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

## What You Can Do Now to Protect Your Family

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**If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:**

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.



## Reducing Lead Hazards

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**Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.**

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.



**Always use a certified contractor who is trained to address lead hazards safely.**

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement contractor. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

## Reducing Lead Hazards, continued

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**If your home has had lead abatement work done** or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 10 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) for floors, including carpeted floors
- 100  $\mu\text{g}/\text{ft}^2$  for interior windows sills
- 400  $\mu\text{g}/\text{ft}^2$  for window troughs

**Abatements are designed to permanently eliminate lead-based paint hazards.** However, lead dust can be reintroduced into an abated area.

- Use a HEPA vacuum on all furniture and other items returned to the area, to reduce the potential for reintroducing lead dust.
- Regularly clean floors, window sills, troughs, and other hard surfaces with a damp cloth or sponge and a general all-purpose cleaner.

Please see page 9 for more information on steps you can take to protect your home after the abatement. For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 15 and 16), [epa.gov/lead](https://www.epa.gov/lead), or call 1-800-424-LEAD.

## Renovating, Repairing or Painting a Home with Lead-Based Paint

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**If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:**

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



**RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:**

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects, visit [epa.gov/getleadsafe](http://epa.gov/getleadsafe), or read *The Lead-Safe Certified Guide to Renovate Right*.

## Other Sources of Lead

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### Lead in Drinking Water

The most common sources of lead in drinking water are lead pipes, faucets, and fixtures.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can't smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested.

Remember older homes with a private well can also have plumbing materials that contain lead.

### Important Steps You Can Take to Reduce Lead in Drinking Water

- Use only cold water for drinking, cooking and making baby formula. Remember, boiling water does not remove lead from water.
- Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes.
- Regularly clean your faucet's screen (also known as an aerator).
- If you use a filter certified to remove lead, don't forget to read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area's water company can also provide information about the lead levels in your system's drinking water.

For more information about lead in drinking water, please contact EPA's Safe Drinking Water Hotline at 1-800-426-4791. If you have other questions about lead poisoning prevention, call 1-800 424-LEAD.\*

Call your local health department or water company to find out about testing your water, or visit [epa.gov/safewater](https://www.epa.gov/safewater) for EPA's lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

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\* Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

## Other Sources of Lead, continued

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- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.<sup>4</sup>
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon,**" used to treat an upset stomach.

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<sup>4</sup> In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products.

## For More Information

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### **The National Lead Information Center**

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at [epa.gov/lead](http://epa.gov/lead) and [hud.gov/lead](http://hud.gov/lead), or call **1-800-424-LEAD (5323)**.

### **EPA's Safe Drinking Water Hotline**

For information about lead in drinking water, call **1-800-426-4791**, or visit [epa.gov/safewater](http://epa.gov/safewater) for information about lead in drinking water.

### **Consumer Product Safety Commission (CPSC) Hotline**

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at [cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov).

### **State and Local Health and Environmental Agencies**

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at [epa.gov/lead](http://epa.gov/lead), or contact the National Lead Information Center at **1-800-424-LEAD**.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

# U. S. Environmental Protection Agency (EPA)

## Regional Offices

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The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

**Region 1** (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact  
U.S. EPA Region 1  
5 Post Office Square, Suite 100, OES 05-4  
Boston, MA 02109-3912  
(888) 372-7341

**Region 2** (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact  
U.S. EPA Region 2  
2890 Woodbridge Avenue  
Building 205, Mail Stop 225  
Edison, NJ 08837-3679  
(732) 906-6809

**Region 3** (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact  
U.S. EPA Region 3  
1650 Arch Street  
Philadelphia, PA 19103  
(215) 814-2088

**Region 4** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact  
U.S. EPA Region 4  
AFC Tower, 12th Floor, Air, Pesticides & Toxics  
61 Forsyth Street, SW  
Atlanta, GA 30303  
(404) 562-8998

**Region 5** (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact  
U.S. EPA Region 5 (LL-17J)  
77 West Jackson Boulevard  
Chicago, IL 60604-3666  
(312) 353-3808

**Region 6** (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact  
U.S. EPA Region 6  
1445 Ross Avenue, 12th Floor  
Dallas, TX 75202-2733  
(214) 665-2704

**Region 7** (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact  
U.S. EPA Region 7  
11201 Renner Blvd.  
Lenexa, KS 66219  
(800) 223-0425

**Region 8** (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact  
U.S. EPA Region 8  
1595 Wynkoop St.  
Denver, CO 80202  
(303) 312-6966

**Region 9** (Arizona, California, Hawaii, Nevada)

Regional Lead Contact  
U.S. EPA Region 9 (CMD-4-2)  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 947-4280

**Region 10** (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact  
U.S. EPA Region 10 (20-C04)  
Air and Toxics Enforcement Section  
1200 Sixth Avenue, Suite 155  
Seattle, WA 98101  
(206) 553-1200

## Consumer Product Safety Commission (CPSC)

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The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

### CPSC

4330 East West Highway  
Bethesda, MD 20814-4421  
1-800-638-2772  
[cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov)

## U. S. Department of Housing and Urban Development (HUD)

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact to Office of Lead Hazard Control and Healthy Homes for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

### HUD

451 Seventh Street, SW, Room 8236  
Washington, DC 20410-3000  
(202) 402-7698  
[hud.gov/lead](http://hud.gov/lead)

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This document is in the public domain. It may be produced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.



# IMPORTANT!

## **Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly**

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).



A BRIEF GUIDE TO  
MOLD,  
MOISTURE,  
AND  
YOUR HOME

**This Guide provides  
information and guidance  
for homeowners and  
renters on how to clean  
up residential mold  
problems and how to  
prevent mold growth.**

*U.S. Environmental Protection Agency  
Office of Air and Radiation  
Indoor Environments Division  
1200 Pennsylvania Avenue  
Mailcode: 6609J  
Washington, DC 20460  
[www.epa.gov/iaq](http://www.epa.gov/iaq)*

# A BRIEF GUIDE TO MOLD, MOISTURE, AND YOUR HOME

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# MOLD BASICS

- The key to mold control is moisture control.
- If mold is a problem in your home, you should clean up the mold promptly *and* fix the water problem.
- It is important to dry water-damaged areas and items within 24-48 hours to prevent mold growth.



**Why is mold growing in my home?** Molds are part of the



*Mold growing outdoors on firewood. Molds come in many colors; both white and black molds are shown here.*

natural environment. Outdoors, molds play a part in nature by breaking down dead organic matter such as fallen leaves and dead trees, but indoors, mold growth should be avoided. Molds reproduce by means of tiny spores; the spores are invisible to the naked eye and float through outdoor and indoor air. Mold may begin growing indoors when mold spores land on surfaces that are wet. There are many types of mold, and none of them will grow without water or moisture.

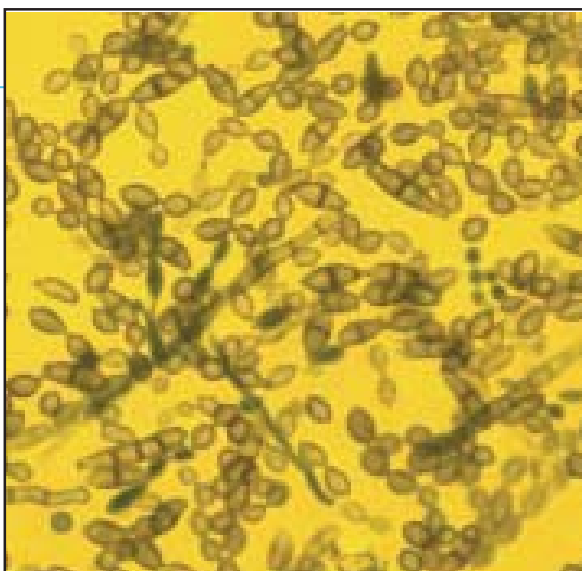
**Can mold cause health problems?** Molds are usually not a problem indoors, unless mold spores land on a wet or damp spot and begin growing. Molds have the potential to cause health problems. Molds produce allergens (substances that can cause allergic reactions), irritants, and in some cases, potentially toxic substances (mycotoxins).

Inhaling or touching mold or mold spores may cause allergic reactions in sensitive individuals. Allergic responses include hay fever-type symptoms, such as sneezing, runny nose, red eyes, and skin rash (dermatitis). Allergic reactions to mold are common. They can be immediate or delayed. Molds can also cause asthma attacks in people with asthma who are allergic to mold. In addition, mold exposure can irritate the eyes, skin, nose, throat, and lungs of both mold-

allergic and non-allergic people. Symptoms other than the allergic and irritant types are not commonly reported as a result of inhaling mold.

Research on mold and health effects is ongoing. This brochure provides a brief overview; it does not describe all potential health effects related to mold exposure. For more detailed information consult a health professional. You may also wish to consult your state or local health department.

**How do I get rid of mold?** It is impossible to get rid of all mold and mold spores indoors; some mold spores will be found floating through the air and in house dust. The mold spores will not grow if moisture is not present. Indoor mold growth can and should be prevented or controlled by controlling moisture indoors. If there is mold growth in your home, you must clean up the mold **and** fix the water problem. If you clean up the mold, but don't fix the water problem, then, most likely, the mold problem will come back.



*Magnified mold spores.*

**Molds can gradually destroy the things they grow on. You can prevent damage to your home and furnishings, save money, and avoid potential health problems by controlling moisture and eliminating mold growth.**

# MOLD

## CLEANUP



*Leaky window – mold is beginning to rot the wooden frame and windowsill.*

**If you already have a mold problem –**  
**ACT QUICKLY.**  
**Mold damages what it grows on. The longer it grows, the more damage it can cause.**

**Who should do the cleanup?** Who should do the cleanup depends on a number of factors. One consideration is the size of the mold problem. If the moldy area is less than about 10 square feet (less than roughly a 3 ft. by 3 ft. patch), in most cases, you can handle the job yourself, following the guidelines below. However:

- If there has been a lot of water damage, and/or mold growth covers more than 10 square feet, consult the U.S. Environmental Protection Agency (EPA) guide: *Mold Remediation in Schools and Commercial Buildings*. Although focused on schools and commercial

buildings, this document is applicable to other building types. It is available free by calling the EPA Indoor Air Quality Information Clearinghouse at (800) 438-4318, or on the Internet at: [www.epa.gov/iaq/molds/mold\\_remediation.html](http://www.epa.gov/iaq/molds/mold_remediation.html).

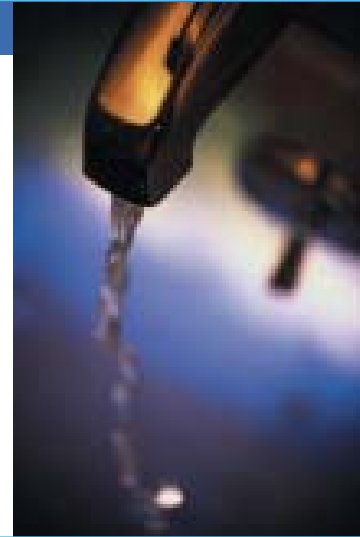
- If you choose to hire a contractor (or other professional service provider) to do the cleanup, make sure the contractor has experience cleaning up mold. Check references and ask the contractor to follow the recommendations in EPA's *Mold Remediation in Schools and Commercial Buildings*, the guidelines of the American Conference of Governmental Industrial Hygienists (ACGIH), or other guidelines from professional or government organizations.
- If you suspect that the heating/ventilation/air conditioning (HVAC) system may be contaminated with mold (it is part of an identified moisture problem, for instance, or there is mold near the intake to the system), consult EPA's guide *Should You Have the Air Ducts in Your Home Cleaned?* before taking further action. Do not run the HVAC system if you know or suspect that it is contaminated with mold - it could spread mold throughout the building. Visit [www.epa.gov/iaq/pubs/airduct.html](http://www.epa.gov/iaq/pubs/airduct.html), or call (800) 438-4318 for a free copy.
- If the water and/or mold damage was caused by sewage or other contaminated water, then call in a professional who has experience cleaning and fixing buildings damaged by contaminated water.
- If you have health concerns, consult a health professional before starting cleanup.



# MOLD CLEANUP GUIDELINES

## BATHROOM TIP

Places that are often or always damp can be hard to maintain completely free of mold. If there's some mold in the shower or elsewhere in the bathroom that seems to reappear, increasing the ventilation (running a fan or opening a window) and cleaning more frequently will usually prevent mold from recurring, or at least keep the mold to a minimum.



**Tips and techniques** The tips and techniques presented in this section will help you clean up your mold problem. Professional cleaners or remediators may use methods not covered in this publication. Please note that mold may cause staining and cosmetic damage. It may not be possible to clean an item so that its original appearance is restored.

- Fix plumbing leaks and other water problems as soon as possible. Dry all items completely.
- Scrub mold off hard surfaces with detergent and water, and dry completely.

*Mold growing on the underside of a plastic lawnchair in an area where rainwater drips through and deposits organic material.*



*Mold growing on a piece of ceiling tile.*



- Absorbent or porous materials, such as ceiling tiles and carpet, may have to be thrown away if they become moldy. Mold can grow on or fill in the empty spaces and crevices of porous materials, so the mold may be difficult or impossible to remove completely.
- Avoid exposing yourself or others to mold (see discussions: **What to Wear When Cleaning Moldy Areas** and **Hidden Mold**.)
- Do not paint or caulk moldy surfaces. Clean up the mold and dry the surfaces before painting. Paint applied over moldy surfaces is likely to peel.
- If you are unsure about how to clean an item, or if the item is expensive or of sentimental value, you may wish to consult a specialist. Specialists in furniture repair, restoration, painting, art restoration and conservation, carpet and rug cleaning, water damage, and fire or water restoration are commonly listed in phone books. Be sure to ask for and check references. Look for specialists who are affiliated with professional organizations.

# WHAT TO WEAR WHEN CLEANING MOLDY AREAS



*Mold growing on a suitcase stored in a humid basement.*

**It is important  
to take  
precautions to  
LIMIT  
YOUR  
EXPOSURE  
to mold and  
mold spores.**

- **Avoid breathing in mold or mold spores.** In order to limit your exposure to airborne mold, you may want to wear an N-95 respirator, available at many hardware stores and from companies that advertise on the Internet. (They cost about \$12 to \$25.) Some N-95 respirators resemble a paper dust mask with a nozzle on the front, others are made primarily of plastic or rubber and have removable cartridges that trap most of the mold spores from entering. In order to be effective, the respirator or mask must fit properly, so carefully follow the instructions supplied with the respirator. Please note that the Occupational Safety and Health Administration (OSHA) requires that respirators fit properly (fit testing) when used in an occupational setting; consult OSHA for more information (800-321-OSHA or [osha.gov/](http://osha.gov/)).

■ **Wear gloves.** Long gloves that extend to the middle of the forearm are recommended. When working with water and a mild detergent, ordinary household rubber gloves may be used. If you are using a disinfectant, a biocide such as chlorine bleach, or a strong cleaning solution, you should select gloves made from natural rubber, neoprene, nitrile, polyurethane, or PVC (see **Cleanup and Biocides**). Avoid touching mold or moldy items with your bare hands.

■ **Wear goggles.** Goggles that do not have ventilation holes are recommended. Avoid getting mold or mold spores in your eyes.



*Cleaning while wearing N-95 respirator, gloves, and goggles.*

**How do I know when the remediation or cleanup is finished?** You must have completely fixed the water or moisture problem before the cleanup or remediation can be considered finished.

- You should have completed mold removal. Visible mold and moldy odors should not be present. Please note that mold may cause staining and cosmetic damage.
- You should have revisited the site(s) shortly after cleanup and it should show no signs of water damage or mold growth.
- People should have been able to occupy or re-occupy the area without health complaints or physical symptoms.
- Ultimately, this is a judgment call; there is no easy answer. If you have concerns or questions call the EPA Indoor Air Quality Information Clearinghouse at (800) 438-4318.

# MOISTURE AND MOLD PREVENTION AND CONTROL TIPS

## MOISTURE Control is the Key to Mold Control



*Mold growing  
on the surface  
of a unit  
ventilator.*

- When water leaks or spills occur indoors - **ACT QUICKLY.** If wet or damp materials or areas are dried 24-48 hours after a leak or spill happens, in most cases mold will not grow.
- Clean and repair roof gutters regularly.
- Make sure the ground slopes away from the building foundation, so that water does not enter or collect around the foundation.
- Keep air conditioning drip pans clean and the drain lines unobstructed and flowing properly.



*Condensation on the inside of a windowpane.*

- Keep indoor humidity low. If possible, keep indoor humidity below 60 percent (ideally between 30 and 50 percent) relative humidity. Relative humidity can be measured with a moisture or humidity meter, a small, inexpensive (\$10-\$50) instrument available at many hardware stores.

- If you see condensation or moisture collecting on windows, walls or pipes - ACT QUICKLY to dry the wet surface and reduce the moisture/water source. Condensation can be a sign of high humidity.

#### **Actions that will help to reduce humidity:**

- 💧 Vent appliances that produce moisture, such as clothes dryers, stoves, and kerosene heaters to the outside where possible. (Combustion appliances such as stoves and kerosene heaters produce water vapor and will increase the humidity unless vented to the outside.)
- 💧 Use air conditioners and/or de-humidifiers when needed.
- 💧 Run the bathroom fan or open the window when showering. Use exhaust fans or open windows whenever cooking, running the dishwasher or dishwashing, etc.

### **Actions that will help prevent condensation:**

- ◆ Reduce the humidity (see preceding page).
- ◆ Increase ventilation or air movement by opening doors and/or windows, when practical. Use fans as needed.
- ◆ Cover cold surfaces, such as cold water pipes, with insulation.
- ◆ Increase air temperature.

*Mold growing on a wooden headboard in a room with high humidity.*



Renters: Report all plumbing leaks and moisture problems immediately to your building owner, manager, or superintendent. In cases where persistent water problems are not addressed, you may want to contact local, state, or federal health or housing authorities.



*Rust is an indicator that condensation occurs on this drainpipe. The pipe should be insulated to prevent condensation.*

**Testing or sampling for mold** Is sampling for mold needed? **In most cases, if visible mold growth is present, sampling is unnecessary.** Since no EPA or other federal limits have been set for mold or mold spores, sampling cannot be used to check a building's compliance with federal mold standards. Surface sampling may be useful to determine if an

area has been adequately cleaned or remediated. Sampling for mold should be conducted by professionals who have specific experience in designing mold sampling protocols, sampling methods, and interpreting results. Sample analysis should follow analytical methods recommended by the American Industrial Hygiene Association (AIHA), the American Conference of Governmental Industrial Hygienists (ACGIH), or other professional organizations.



# HIDDEN MOLD



*Mold growing on the back side of wallpaper.*

**Suspicion of hidden mold** You may suspect hidden mold if a building smells moldy, but you cannot see the source, or if you know there has been water damage and residents are reporting health problems. Mold may be hidden in places such as the back side of dry wall, wallpaper, or paneling, the top side of ceiling tiles, the underside of carpets and pads, etc. Other possible locations of hidden mold include areas inside walls around pipes (with leaking or condensing pipes), the surface of walls behind furniture (where condensation forms), inside ductwork, and in roof materials above ceiling tiles (due to roof leaks or insufficient insulation).

**Investigating hidden mold problems** Investigating hidden mold problems may be difficult and will require caution when the investigation involves disturbing potential sites of mold growth. For example, removal of wallpaper can lead to a massive release of spores if there is mold growing on the underside of the paper. If you believe that you may have a hidden mold problem, consider hiring an experienced professional.

**Cleanup and Biocides** Biocides are substances that can destroy living organisms. The use of a chemical or biocide that kills organisms such as mold (chlorine bleach, for example) is not recommended as a routine practice during mold cleanup. There may be instances, however, when professional judgment may indicate its use (for example, when immune-compromised individuals are present). In most cases, it is not possible or desirable to sterilize an area; a background level of mold spores will remain - these spores will not grow if the moisture problem has been resolved. If you choose to use disinfectants or biocides, always ventilate the area and exhaust the air to the outdoors. Never mix chlorine bleach solution with other cleaning solutions or detergents that contain ammonia because toxic fumes could be produced.

**Please note:** Dead mold may still cause allergic reactions in some people, so it is not enough to simply kill the mold, it must also be removed.

*Water stain on a basement wall — locate and fix the source of the water promptly.*



# ADDITIONAL RESOURCES

For more information on mold related issues including mold cleanup and moisture control/condensation/humidity issues, you can call the EPA Indoor Air Quality Information Clearinghouse at

**(800) 438-4318.**

Or visit:

[www.epa.gov/iaq/molds](http://www.epa.gov/iaq/molds)



*Mold growing on fallen leaves..*

*This document is available on the Environmental Protection Agency, Indoor Environments Division website at: [www.epa.gov/iaq/molds/moldguide.html](http://www.epa.gov/iaq/molds/moldguide.html)*

# NOTES

## Acknowledgements

EPA would like to thank Paul Ellringer, PE, CIH, for providing the photo on page 14.

Please note that this document presents recommendations. EPA does not regulate mold or mold spores in indoor air.





### Affiliated Business Arrangement Disclosure Statement

To: The Buyer(s) and/or Seller(s) of the Subject Property

From: PCAR Holdings, LLC d/b/a Windermere Real Estate Midtown ("Windermere")

Subject Property: 123 Sample St Seattle WA 98123

This is to give you notice that Windermere has a business relationship with the following entities:

**Penrith Home Loans LLC ("Penrith"):** Windermere owns less than 20% of WMS MORTGAGE GROUP LLC ("WMG"). WMG owns a portion of Penrith.

**CW Title and Escrow:** Windermere owns less than 25% of WTG, LLC ("WTG"). WTG owns a portion of Cascade West Title Company, LLC, which does business as CW Title and Escrow and Ballard Escrow.

**Moreland Insurance:** Windermere owns less than 20% of MIHC, LLC ("MIHC"). MIHC owns a portion of WD Insurance, LLC, which does business as Moreland Insurance.

Because of these relationships, a referral to these entities may provide Windermere or its affiliates a financial or other benefit. The benefit that Windermere or its affiliates may receive is limited to a return on ownership interest, and neither Windermere nor your broker will be paid a referral fee.

Set forth below are the estimated charges or range of charges for the settlement services listed. You are NOT required to use the listed provider as a condition to your purchase or sale of the Subject Property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

**Penrith Home Loans LLC:** Loan fees range from 0-3% of the loan amount depending upon the program and the buyer's qualifications.

**CW Title and Escrow:** Title insurance charges range from \$335 to \$7,500 depending upon the purchase price.

**CW Title and Escrow:** Escrow charges range from \$585 to \$4,161 depending upon the purchase price.

**Moreland Insurance:** Insurance premiums range from \$400 to \$5,000 depending upon the value and location of the property.

#### ACKNOWLEDGEMENT

I/we have read this disclosure form, and understand that Windermere is referring me/us to purchase the above-described settlement service(s) and may receive a financial or other benefit as a result of this referral. I understand that my broker will not receive any financial or other benefit as a result of this referral.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
DATE

## IMPORTANT INFORMATION CONCERNING YOUR DISCLOSURE RIGHTS AND OBLIGATIONS

Seller disclosure is one of the most important parts of a real estate transaction. Sellers need to know what information they are obligated to disclose, and Buyers need to understand their own duty of diligence and investigation. This Memo is provided by Windermere's attorneys as general legal information and not advice. Real estate brokers are not attorneys, and you should consult an attorney if you have any specific disclosure questions.

### Information for Buyers

Most buyers expect far more disclosure from the seller than the law requires. Sellers have no duty to inspect their property or look for defects and may not even consider a condition a defect after living with it for years. Instead, Sellers have a limited duty to disclose material defects that substantially affect the physical condition of or title to the property and information that substantially adversely affects the value of the property.

Sellers typically have no duty to disclose neighborhood conditions or past events at the property. For instance, sellers usually have no legal duty to disclose the following conditions either at the property or in the neighborhood:

- Murders, suicides, rapes or other crimes;
- Ongoing criminal or gang activity in the neighborhood;
- Registered sex offenders in the neighborhood;
- Future development in the area; or
- Political or religious activities in the area.

If these or similar matters are of concern to a buyer, then the buyer should include an inspection and "Neighborhood Review" contingency in any agreement and follow through with the inspection.

Washington law imposes a duty of diligence on the buyer to fully investigate the property and any information provided by the seller. A buyer is charged with the knowledge that the buyer would have obtained with a diligent investigation. For example, a buyer who receives an inspection report identifying a possible defect has a duty to investigate further and may be barred from seeking compensation from the seller if the defect could have been discovered through further inspection. A diligent investigation is the best way for buyers to avoid problems after closing and for sellers to reduce their risk of claims. A diligent investigation often involves more than a standard home inspection.

### Information for Sellers

Although the law provides sellers with many protections, it does not prevent unhappy buyers from starting a lawsuit, and most buyer lawsuits are not covered by insurance. Sellers should consider disclosure to be a form of insurance. By disclosing a condition, the seller shifts the burden of investigation to the buyer. By remaining silent, a seller risks the appearance of concealment and a lawsuit.

To prove fraudulent concealment, a buyer only has to prove that the seller had actual knowledge of a hidden defect and failed to disclose it. The buyer does not have to prove a seller's intent to deceive or hide the defect. At the same time, once the seller does disclose an actual or possible defect, the duty shifts to the buyer to exercise diligence and investigate. Instead of minimizing disclosures, a prudent seller will try to consider the property from the perspective of a buyer and then disclose what a buyer would want to know. Many of the conditions that lead to lawsuits would have been acceptable to the buyer if they had been disclosed in advance. Other conditions simply are not important enough to the buyer to fully investigate before purchasing a property. To maximize the benefit of disclosure law, sellers may want to make full disclosure of the property and neighborhood even if they have no legal duty to do so. It is usually better to be over-insured than not insured at all.

# *What buyers and sellers need to know about* **Fair Housing**



## **Our goals and objectives**

All of us at Windermere Real Estate are committed to the principles of Fair Housing practices for all. Fair Housing is a matter of dealing equally with all people as well as a matter of federal, state and local laws. Fair Housing involves everyone, and we have to count on your being our partner in that effort as we work to find you a home or sell your home.

We are experts in homes. It is our responsibility to provide you with the information you need to make a wise decision for yourself. Our task is to do our best to locate a home with the characteristics, location and price you want, or to find a buyer who can satisfy your needs as a seller. It is also our task to provide you with enough information about current market conditions, including the sale prices of properties that have recently sold, to enable you to intelligently determine the price you are willing to pay or receive for a specific property.

You may wish to have available other kinds of information. Many buyers ask questions about the people who live in a neighborhood: "What kinds of people live here?" "Are there many children in the neighborhood?" "Are there any registered sex offenders nearby?" "Is there much crime here?" "Are there any especially noisy neighbors?"

Sellers may ask similar questions: "What kind of people make good prospective buyers?" "Who will fit well in this neighborhood?" "Do unmarried couples make good buyers?"

Such questions are outside the scope of our professional practice. Some of them raise Fair Housing issues, and all of them seek subjective judgments rather than objective information. Such questions are important to buyers and sellers, but you ought to be aware of the laws that restrict the rights of buyers and sellers to make decisions based on such inquiries.

## **The law**

Federal law prohibits discrimination in a real estate transaction based on race, color, religion, familial status, sex, handicap and/or national origin. In addition to the federal prohibitions, Washington law prohibits discrimination based on creed, marital status, sensory/physical/mental disability, use of a service animal (e.g., a seeing-eye dog), sexual orientation, and honorably discharged veteran or military status. Some local laws go even further to prohibit discrimination based on age, ancestry, gender identity, political ideology, and participation in Section 8 programs (for low-income families).

For buyers, there is a way to make your own private decision about whether a neighborhood and its surroundings are right for you. Most standard purchase forms used throughout our network allow you to include a contingency for a "Neighborhood Review" period. This gives you time to conduct your own exploration of the neighborhood for answers to the questions that are important to you. Ask your agent what options exist in your area for this kind of contingency.

*(continued)*

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*What buyers and sellers need to know about*

# Fair Housing



Sellers should be aware of the laws that prohibit choosing a buyer based on legally protected class status. Generally speaking, if a seller receives a bona fide offer on a property, the seller cannot refuse to sell to, or even refuse to negotiate with, the prospective buyer based on the above-mentioned prohibited criteria. Sellers may not falsely represent that the home is no longer for sale, nor can they advertise the home with an indication of preference or limitation on what type of people may purchase it.

Real estate agents may not engage in any such practices, either. In fact, agents are prohibited from "steering" prospective buyers to specific neighborhoods based on the above-mentioned criteria. Agents who perform prohibited discriminatory practices on behalf of their principals subject both themselves and their principals to liability.

A victim of discrimination may pursue a civil lawsuit or an administrative claim. The victim may seek a temporary restraining order, permanent injunction, actual damages, punitive damages and attorney's fees.

## **Further resources**

There are many resources available at the public library, such as census figures that provide a wide range of statistical information about the people in the neighborhood. The local police precinct station can provide data about crime, and public school districts can provide information as well. Much information is also available on the Internet.



## UNDERSTANDING REAL ESTATE AGENT COMPENSATION

Real estate transactions have a lot of moving parts. Understanding how each professional involved in a transaction is paid can be somewhat challenging. Also, since each transaction is unique, compensation structure and strategies can vary depending upon the circumstances. Windermere strives for complete transparency on all sides of the transaction to ensure that real estate agent compensation is known and understood. Here's how agent compensation typically works:

Who pays? Traditionally sellers paid one commission, typically a percentage of the sales price. From that commission the seller's agent would offer an amount to the buyer's agent. Under most modern multiple listing service ("MLS") forms and rules, agent compensation is split into two distinct parts, the seller agent compensation and the buyer agent compensation. Many sellers offer to pay both agents compensation but there is no rule that mandates that a seller do so.

Does a Seller have to Offer Compensation to the Buyer's Agent? No, MLS rules do not require a seller to offer compensation to the buyer's agent in order to list a property with an MLS.

Are Compensation Amounts Negotiable? Yes, both the seller agent compensation and the buyer agent compensation amounts are negotiable. A seller and their agent are free to negotiate the seller agent compensation and a buyer and their agent can negotiate any buyer agent compensation with either the seller or the buyer depending on who is paying. However, often a seller cannot reduce the compensation amount offered to a buyer agent after a buyer agent submits an offer to purchase.

Do Buyer Agents have to Show Properties if there is no Buyer Agent Compensation Offered by any Party? No, many states have laws that permit buyer agents to not show their buyer clients properties when there is no compensation offered to the buyer agent by any party so long as that fact is disclosed to the buyer. Recent industry changes make this scenario unlikely since most buyer agents are required to obtain buyer agency agreements which usually require the buyer to pay the buyer agent if the seller does not offer buyer agent compensation.

Do Buyers Ever Pay their Own Agent Compensation? Yes, although traditionally sellers have paid both agents compensation as a cost of selling a home. Compensation is typically not financeable so many buyers who stretch to buy a home may not have the financial wherewithal to pay their own agent. However, there is no rule or law that prohibits a buyer from paying their own agent in lieu of the seller paying the buyer agent.

Can Compensation Amounts Vary Depending Upon the Circumstances? Yes, modern MLS rules and forms often allow for dynamic compensation. For instance, a buyer agent might offer to reduce the amount of buyer agent compensation offered in a listing to make their client's offer stronger. A seller agent may agree to reduce the buyer agent compensation offered in a listing if the seller agent acts as a dual agent. Sometimes it works in reverse and the more services an agent offers, the higher the compensation. For instance, a seller agent may require that compensation be increased if the buyer is unrepresented.

What's the Right Amount of Compensation? There is no right amount. Sellers, buyers, agents and brokerages must determine what amount of compensation is appropriate for them under the specific circumstances of each transaction.



## FRAUD ALERT

**Use Cashier's Checks. Only wire money as a last resort. If you wire money, call a known phone number first to verify the wire instructions.**

Wire fraud in real estate transactions has become a national epidemic. Criminals are hacking into the email accounts of real estate brokers and escrow officers and duping buyers into sending earnest money, down payment or funds to close directly to the criminals via wire transfer. The hacker emails are often sent directly from the broker or escrow officer's own email account so they look just like the broker or escrow officer's actual email. The hacker usually sends wire instructions to the buyer requesting deposit of earnest money, down payment or funds to close. The buyer then unwittingly wires funds in accordance with the hacker provided wire instructions and the funds are sent directly to the hacker's own account, which is cleared-out in a matter of minutes.

Buyers and sellers need to be on alert whenever they are asked to send money to avoid becoming a victim of fraud. It is your loss if you wire money into a fraudulent account. The following best practices are strongly recommended to minimize the risk of becoming a victim:

- Deliver funds to the escrow agent or title company via cashier's check rather than wire transfer.
- If you must wire money, always call the intended recipient (usually an escrow agent or title company) at a known telephone number to verify the wire instructions.
- Do not trust contact information in emails, even emails that appear to be legitimate. The hackers will recreate legitimate looking signature blocks with their own telephone number and contact information. In addition, the hackers often include links to fake websites to further convince the victims of their legitimacy.
- Never click on any links in an unverified email. These links can lead to fake websites and sometimes contain viruses that make your computer – and your transaction – vulnerable to attack.
- If you receive a suspicious email, call or text the sender at a known number to confirm they sent the email.
- Never trust revised or changed wire instructions. It is very rare for a title company or escrow agent to change wire instructions.

Received and acknowledged by:

\_\_\_\_\_  
Buyer/Seller

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer/Seller

\_\_\_\_\_  
Date

### INSPECTOR REFERRAL DISCLOSURE

**INSPECTOR REFERRAL DISCLOSURE.** Washington State law requires that a real estate broker, who refers a home inspector to a buyer or seller with whom the broker has a current or past relationship including, but not limited to, a business or familial relationship, fully disclose in writing to the buyer or seller the nature of the relationship.

The undersigned real estate broker ("Broker") makes the following disclosure regarding the below Inspector(s) referred by Broker to Buyer/Seller:

A. \_\_\_\_\_  
Name of Inspector

\_\_\_\_\_  
Nature of Relationship with Broker

B. \_\_\_\_\_  
Name of Inspector

\_\_\_\_\_  
Nature of Relationship with Broker

C. \_\_\_\_\_  
Name of Inspector

\_\_\_\_\_  
Nature of Relationship with Broker

\_\_\_\_\_  
Firm (Company)

\_\_\_\_\_  
By: (Broker) Date

Buyer/Seller hereby acknowledges receipt of a copy of this Inspector Referral Disclosure.

\_\_\_\_\_  
Buyer/Seller Date



## SEWER SCOPE/INSPECTION ADVISORY AND ACKNOWLEDGMENT BY BUYER

### Advisory

Sewer line problems can come as an unpleasant surprise to many new homeowners. Sewer line inspections (commonly referred to as a "Sewer Scope") are not ordinarily a part of the standard home inspection required by most lenders. As a result, many buyers elect to forego the additional costs associated with obtaining a Sewer Scope inspection. The result is that many homeowners do not know the condition of the sewer line in their new home.

Buyers of real estate are advised to obtain a Sewer Scope during the inspection period of their purchase and sale agreement. An inspection enables a Buyer to know the status and condition of the sewer line of a property. Often there may not be any apparent problems for the current homeowner. However, a broken pipe or partial blockage is a latent defect that may not be known by the present owner but can have damaging consequences to future owners.

Real estate brokers are not experts on sewer line issue and likely cannot tell whether there are any issues with the sewer line. Problems arise in both older and newer houses. Many homeowner insurance policies contain a basic exclusion for problems such as backups and breaks in side sewer lines. Obtaining an inspection before purchasing your home allows you to learn the status of the sewer line and negotiate with the Seller(s) for any necessary repairs or reductions in the purchase price.

### Acknowledgment

BY SIGNING BELOW, the undersigned Buyer(s) hereby acknowledges and understands the disclosures made herein, and agrees that he/she shall not hold any real estate broker liable for any damages that may arise from sewer line issues or the damage to sewer pipes, or the existence of problems with the sewer line unless otherwise expressly agreed in writing.

\_\_\_\_\_

Buyer

\_\_\_\_\_

Date

\_\_\_\_\_

Broker

\_\_\_\_\_

Date

\_\_\_\_\_

Buyer

\_\_\_\_\_

Date

# *What buyers and sellers need to know about* **Fair Housing**



## **Our goals and objectives**

All of us at Windermere Real Estate are committed to the principles of Fair Housing practices for all. Fair Housing is a matter of dealing equally with all people as well as a matter of federal, state and local laws. Fair Housing involves everyone, and we have to count on your being our partner in that effort as we work to find you a home or sell your home.

We are experts in homes. It is our responsibility to provide you with the information you need to make a wise decision for yourself. Our task is to do our best to locate a home with the characteristics, location and price you want, or to find a buyer who can satisfy your needs as a seller. It is also our task to provide you with enough information about current market conditions, including the sale prices of properties that have recently sold, to enable you to intelligently determine the price you are willing to pay or receive for a specific property.

You may wish to have available other kinds of information. Many buyers ask questions about the people who live in a neighborhood: "What kinds of people live here?" "Are there many children in the neighborhood?" "Are there any registered sex offenders nearby?" "Is there much crime here?" "Are there any especially noisy neighbors?"

Sellers may ask similar questions: "What kind of people make good prospective buyers?" "Who will fit well in this neighborhood?" "Do unmarried couples make good buyers?"

Such questions are outside the scope of our professional practice. Some of them raise Fair Housing issues, and all of them seek subjective judgments rather than objective information. Such questions are important to buyers and sellers, but you ought to be aware of the laws that restrict the rights of buyers and sellers to make decisions based on such inquiries.

## **The law**

Federal law prohibits discrimination in a real estate transaction based on race, color, religion, familial status, sex, handicap and/or national origin. In addition to the federal prohibitions, Washington law prohibits discrimination based on creed, marital status, sensory/physical/mental disability, use of a service animal (e.g., a seeing-eye dog), sexual orientation, and honorably discharged veteran or military status. Some local laws go even further to prohibit discrimination based on age, ancestry, gender identity, political ideology, and participation in Section 8 programs (for low-income families).

For buyers, there is a way to make your own private decision about whether a neighborhood and its surroundings are right for you. Most standard purchase forms used throughout our network allow you to include a contingency for a "Neighborhood Review" period. This gives you time to conduct your own exploration of the neighborhood for answers to the questions that are important to you. Ask your agent what options exist in your area for this kind of contingency.

*(continued)*

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*What buyers and sellers need to know about*

# Fair Housing



Sellers should be aware of the laws that prohibit choosing a buyer based on legally protected class status. Generally speaking, if a seller receives a bona fide offer on a property, the seller cannot refuse to sell to, or even refuse to negotiate with, the prospective buyer based on the above-mentioned prohibited criteria. Sellers may not falsely represent that the home is no longer for sale, nor can they advertise the home with an indication of preference or limitation on what type of people may purchase it.

Real estate agents may not engage in any such practices, either. In fact, agents are prohibited from "steering" prospective buyers to specific neighborhoods based on the above-mentioned criteria. Agents who perform prohibited discriminatory practices on behalf of their principals subject both themselves and their principals to liability.

A victim of discrimination may pursue a civil lawsuit or an administrative claim. The victim may seek a temporary restraining order, permanent injunction, actual damages, punitive damages and attorney's fees.

## **Further resources**

There are many resources available at the public library, such as census figures that provide a wide range of statistical information about the people in the neighborhood. The local police precinct station can provide data about crime, and public school districts can provide information as well. Much information is also available on the Internet.