

TN RESIDENTIAL PROPERTY CONDITION EXEMPTION NOTIFICATION

1 **Property Address:** _____

2 **Buyer Name(s):** _____

3 **Seller Name(s):** _____

4 **Buyers' and Sellers' Rights and Obligations under the Tennessee Residential Property Disclosure Act:**

5 The Tennessee Residential Property Disclosure Act requires sellers of residential real property with one to four dwelling units
6 to furnish to a buyer **one of the following**: (1) a residential property disclosure statement (the "Disclosure"), **or** (2) a
7 residential property *disclaimer statement* (permitted *only* where the buyer *waives* the required Disclosure). **Some property**
8 **transfers may be exempt from this requirement [see § 66-5-209]**. The following is a *summary* of the buyers' and sellers'
9 rights and obligations under the Act. A complete copy of the Act (TCA Title 66, Chapter 5, Part 2) may be found at:
10 <http://tn.gov/commerce/boards/trec>

- 11 1. Sellers must disclose all known material defects, and must answer the questions on the Disclosure form in good faith to
12 the best of the seller's knowledge as of the Disclosure date.
- 13 2. Sellers must give the buyers the Disclosure form (or *disclaimer statement*) **before** the acceptance of a purchase contract.
- 14 3. Sellers must inform the buyers, at or before closing, of any inaccuracies or material changes in the condition that have
15 occurred since the time of the initial Disclosure, or certify that there are no changes.
- 16 4. Sellers may give the buyers a report or opinion prepared by a professional inspector or other expert(s), or certain information
17 provided by a public agency, in lieu of responding to some or all of the questions on the form.
- 18 5. Sellers are not required to have a home inspection or other investigation in order to complete the Disclosure form.
- 19 6. Sellers are not required to repair any defects listed on the Disclosure form, or on any inspection report, unless agreed to in
20 the purchase contract or a contract amendment.
- 21 7. Sellers involved in the first sale of a dwelling must disclose the amount of any impact fees or adequate facility taxes paid.
- 22 8. Sellers are not required to disclose if any occupant was HIV-positive, or had any other disease not likely to be transmitted
23 by occupying a home, or whether the home was the site of a homicide, suicide or felony, or other act or occurrence
24 which had no effect on the physical structure of the property.
- 25 9. Sellers may provide an "as is", "no representations or warranties" *disclaimer statement* in lieu of the Disclosure form *only if*
26 *the buyer waives the right to the required Disclosure*, otherwise the sellers must provide the completed Disclosure form.
- 27 10. Sellers may be **exempt from having to complete the Disclosure form in certain limited circumstances** (for example -
28 public auctions, court orders, some foreclosures and bankruptcies, new construction with written warranty, or owner has
29 not resided on the property at any time within prior 3 years). [see page 2 of this form for complete list of exemptions]
- 30 11. Buyers are advised to include home, wood infestation, well, water sources, septic system, lead based paint, radon, mold,
31 and other appropriate inspection contingencies in the purchase contract, as this form is not a warranty of any kind by the
32 seller, and *is not a substitute for any warranties or professional inspections the buyer may desire to purchase*.
- 33 12. Buyers should negotiate the repairs of any disclosed defects by addressing them in the purchase contract (see #6).
- 34 13. Buyers may, *but do not have to*, waive their right to receive the Disclosure form from the sellers if the sellers provide an
35 "as is", "no representations or warranties" *disclaimer statement*.
- 36 14. Remedies for a seller's misrepresentation or nondisclosure on a Disclosure form may be available to buyer, including the
37 possibility of terminating the contract. [§ 66-5-208] Buyer should consult with an attorney regarding any such matters.
- 38 15. Representations in the Disclosure form are those of the sellers only, and not of any real estate licensee, although licensees
39 are required to disclose to all parties adverse facts of which the licensee has actual knowledge or notice.
- 40 16. For newly constructed residences on a septic system, sellers are prohibited from knowingly advertising or marketing a
41 home as having more bedrooms than are permitted by the subsurface sewage disposal system permit. [§ 47-18-104(b)]
- 42 17. Sellers must disclose the presence of any known exterior injection well and the results of any known percolation tests or soil
43 absorption rate performed on the property that is determined or accepted by the Dept of Environment & Conservation.
- 44 18. For condominiums, buyers are entitled, upon request, to receive information regarding the condominium administration.

45 **The buyers and sellers involved in the current or prospective real estate transaction for the property listed above**
46 **acknowledge that they were informed of their rights and obligations regarding TN Residential Property Disclosures,**
47 **and that this information was provided by the real estate licensee(s) prior to the completion or reviewing of this**
48 **Exemption Notification. Buyers and sellers also acknowledge that they were advised to seek the advice of an attorney on**
49 **any legal questions they may have regarding this information, or prior to taking any legal actions. Buyers and sellers**
50 **acknowledge receipt of a copy of this Exemption Notification.**



51 **EXEMPT PROPERTY TRANSFERS:**

52 **The Seller notifies the Buyer that this property is being offered *without* a TN Residential Property Condition**
53 **Disclosure statement as provided by the Tennessee Residential Property Disclosure Act. This transfer is**
54 **excluded under TN Code Annotated § 66-5-209 for the following reason(s):**

- 55 (a) This is a transfer pursuant to court order including, but not limited to, transfers ordered by a court in the
56 administration of an estate, transfers pursuant to a writ of execution, transfers by foreclosure sale, transfers by a
57 trustee in a bankruptcy, transfers by eminent domain and transfers resulting from a decree of specific performance.
- 58 (b) This is a transfer to a beneficiary of a deed of trust by a trustor or successor in interest who is in default; transfers
59 by a trustee under a deed of trust pursuant to a foreclosure sale, or transfers by a beneficiary under a deed of trust
60 who has acquired the real property at a sale conducted pursuant to a foreclosure sale under a deed of trust or has
61 acquired the real property by a deed in lieu of foreclosure.
- 62 (c) This is a transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship,
63 conservatorship or trust.
- 64 (d) This is a transfer from one (1) or more co-owners solely to one (1) or more co-owners. This provision is intended to
65 apply and only does apply in situations where ownership is by a tenancy by the entirety, a joint tenancy or a
66 tenancy in common and the transfer will be made from one (1) or more of the owners to another owner or co-
67 owners holding property either as a joint tenancy, tenancy in common or tenancy by the entirety.
- 68 (e) This is a transfer made solely to any combination of a spouse or a person or persons in the lineal line of
69 consanguinity of one (1) or more of the transferors.
- 70 (f) This is a transfer between spouses resulting from a decree of divorce or a property settlement stipulation.
- 71 (g) This is a transfer made by virtue of the record owner's failure to pay federal, state or local taxes.
- 72 (h) This is a transfer to or from any governmental entity of public or quasi-public housing authority or agency.
- 73 (i) This is a transfer involving the **first sale of a dwelling provided that the builder offers a written warranty.**
74 **IMPACT FEES:** Sellers must disclose any impact fees or adequate facilities taxes paid to any city or county.
75 ***TCA 66-5-211. Disclosure of impact fees or adequate facilities taxes —Definitions. — (a) In transfers involving***
76 ***the first sale of a dwelling, the owner of residential property shall furnish to the purchaser a statement disclosing***
77 ***the amount of any impact fees or adequate facilities taxes paid to any city or county on any parcel of land subject***
78 ***to transfer by sale, exchange, installment land sales contract, or lease with an option to buy.***
79 **Seller has paid \$ _____ in impact fees and/or adequate facilities taxes on this property.**
- 80 (j) This is a transfer of any property sold at public auction.
- 81 (k) This is a transfer of any property where **the owner has not resided on the property at any time within three (3)**
82 **years prior to the date of transfer.**
- 83 (l) This is a transfer from a debtor in a chapter 7 or a chapter 13 bankruptcy to a creditor or third party by a deed in lieu
84 of foreclosure or by a quitclaim deed.

85 X _____ X _____
Seller Signature Date & Time Seller Signature Date & Time

86 X _____ X _____
Buyer Signature Date & Time Buyer Signature Date & Time

