

**Be
Informed**

**The Success
Triangle**

**Be
Careful**

**Be
Ethical**



What you can or cannot see, smell, touch, taste, or simply do not know while helping clients buy or sell a property, may cause issues for you and your clients.



The purpose of this class is to inform you about various issues you and your clients may encounter at a property and to give you sound advice on how to properly address and handle an issue so that your clients can buy or sell a property **safely, legally, and ethically.**

While working with your clients, you may be asked questions like these...How would you answer?

- *The Seller's Disclosure Form is too confusing, will you please fill it out for me?*
- *My sewer backed up last year and flooded the basement...do I need to divulge it?*
- *A friend told us Polybutylene Pipe is better than PEX Pipe...is that true?*
- *We found a nice condo that's in an HOA...can we decline to be part of the HOA?*
- *I heard Radon can cause lung cancer, where does it come from?*
- *My Dad told us Aluminum Wiring is as safe as Copper Wiring...what do you think?*
- *How can we find out if a registered sex offender lives near the home we want to buy?*
- *Does the Seller need to tell us if a death or suicide happened in their home?*
- *I believe there is a ghost in my home...do I need to divulge it to the Buyer?*

Did you know the answers? If not, don't fret because you will by the end of today's class.



How today's class came about...

Real Talk
with **Dave**

*Kansas City's
Real Estate Talk
Show*

**Saturday
11am to Noon
on**

**710
KCMO FOX NEWS
talk radio**

**98.1 fm 980 am
KMBZ
NEWSRADIO**

**DAR.fm
Record Radio**

**FOX
4
KANSAS CITY**

Tune in and find out why a nationwide radio audience trusts local realtor Dave Pleskac and his weekly guest experts to give them the real truth about all things associated with real estate. As a 5-STAR Realtor, Dave specializes in helping you make important decisions regarding your number one investment — your home!

"The Voice of Kansas City Real Estate"

Visit www.realtalkwithdave.com
or call Dave at 913-660-8960

Real Talk with Dave

"The Voice of Kansas City Real Estate"

Weekly Show Topics...

- Mortgage Fraud and the Fed's (FBI & DOJ)
- Hidden Dangers inside and outside your Home
- HUD and all about Federal Fair Housing Regulations
- Tips to SELL your home during the Winter Holidays
- The Art and Gamble of Buying a Foreclosed Home
- Green Homes...are they the Future or a Gimmick?
- Does your home have Radon...are you sure?
- What's Hot and What's Not in today's Market
- 10 Turn Off's guaranteed to make Buyers walk away
- HOA's...what you need to know BEFORE you Buy
- Curb Appeal and 9 other Tips that Sell Homes
- Stigmatized Properties are more than Ghosts
- The Dirty Truth about Mold
- Real Estate Laws that may impact You
- **What the EPA recommends to all Home Owners**

In Real Estate, things are NOT always as they appear...



The Property as seen by the Buyer



The Property as seen by the Seller



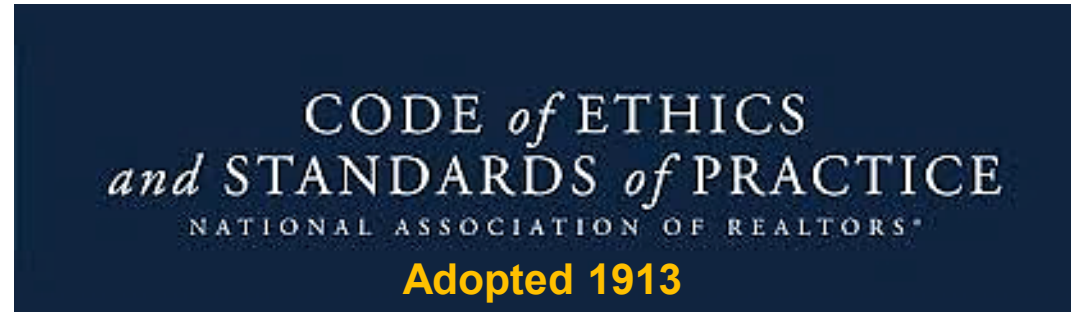
The Property as seen by the Appraiser



The listing as handled by some Agents



A quick reminder of key Articles in the Code Of Ethics may be helpful to the three Agents...



DUTIES TO CLIENTS AND CUSTOMERS

ARTICLE 1: When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. **When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly.** (Amended 1/01)

ARTICLE 2: **REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover latent defects in the property,** to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency or non-agency relationships as defined by state law. (Amended 1/00)

DUTIES TO THE PUBLIC

ARTICLE 12: **REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations.** REALTORS® shall ensure that their status as real estate professionals is readily apparent in their advertising, marketing, and other representations, and that the recipients of all real estate communications are, or have been, notified that those communications are from a real estate professional. (Amended 1/08)

What are *Pertinent Facts* and *Latent Defects*?

ARTICLE 2: REALTORS® shall avoid exaggeration, misrepresentation, or concealment of *pertinent facts* relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover *latent defects* in the property...

Pertinent Facts: Facts about the property that Buyers might use to their advantage in negotiations such as known physical defects in the property revealed on the Seller's Disclosure Form, discovered during a professional home inspection, or that the Seller discussed with the Listing Agent.

Latent Defects: Defects that the Seller or their Agent may not be aware of and are not discovered during a reasonable preview or walk-thru of the property by the Buyer or their Agent. Latent Defects may or may not be found by a licensed home inspector such as damage inside walls, flood or fire damage, a leaking roof with no visible leak marks, HVAC problems, or structural issues.

Here's another fact you should be aware of...

Adverse Material Fact: Any fact that could affect a “*reasonable person's decision*” to buy, sell, or lease a property ***that must be disclosed*** by an agent to the parties in the transaction and any interested third parties regardless of the Agent's agency role within the transaction.

Can you identify potentially **Defective or Banned Materials** that may be in a home? **You will at the end of today's class.**

Finally, informed Buyer's (with their Agent's help) can use ***Pertinent Facts, Latent Defects, Adverse Material Facts,*** and **Defective or Banned Materials** to “*possibly*” negotiate a lower Sale Price or favorable Terms and Conditions.



Kansas and Missouri Disclosure Laws

Kansas has several laws that require the Seller to make certain disclosures to potential Buyers. **Kansas Statute 58-30.106** states...*The Seller or their Real Estate Agent must disclose to the Buyer **all Adverse Material Facts** about the property that either party knows about including...*



- * **The physical condition of the property**
- * **Any material defects in the property itself**
- * **Any material defects in the title to the property**
- * **Any environmental hazards that affects the property**
- * **Any limitations on the seller's ability to perform under the contract**

Missouri requires a little more in **Statute 339.730.1** which states...*“An Agent must disclose to any potential Buyer **all Adverse Material Facts actually known or that should have been known by the Agent**”.*

Example: The Seller tells their Agent to sell their home quickly because...*“**Mold is in the basement due to a sump pump failure and termites are eating everything!**”.* These statements are now known **Adverse Material Facts** which the Agent would be legally obligated to inform prospective Buyers.

Bottom Line: Real Estate Agents cannot turn a blind-eye or lie on behalf of their client to conceal a known defect about the property without risking **a fine, loss of their license, or possible lawsuit.**



The Seller's Disclosure Form

(Our roadmap for today's class)

The form states that the Seller is required by law to disclose **any known Material Defects in the property** to prospective Buyer's and failure to do so may result in civil liability for damages.

Questions:

- Can the Agent fill out the form if they are given written permission by the Seller?
- Can the Agent assist the Seller by answering questions such as **"Do you know what type of HVAC system I have in my home"**?
- If the Seller's Agent knows their client did not answer a question truthfully, what should they do?

  **SELLER'S DISCLOSURE AND CONDITION OF PROPERTY ADDENDUM (Residential)** F333

1 **SELLER** (Indicate Marital Status): _____
2 _____
3 _____
4 _____
5 **PROPERTY:** _____
6 _____
7 **1. NOTICE TO SELLER.**
8 Be as complete and accurate as possible when answering the questions in this disclosure. Attach additional sheets if
9 space is insufficient for all applicable comments. **SELLER understands that the law requires disclosure of any material**
10 **defects, known to SELLER, in the Property to prospective Buyer(s) and that failure to do so may result in civil liability**
11 **for damages.** Non-occupant SELLERS are not relieved of this obligation. This disclosure statement is designed to
12 assist SELLER in making these disclosures. Licensee(s), prospective buyers and buyers will rely on this information.
13
14 **2. NOTICE TO BUYER.**
15 This is a disclosure of SELLER'S knowledge of the Property as of the date signed by SELLER and is not a substitute
16 for any inspections or warranties that BUYER may wish to obtain. It is not a warranty of any kind by SELLER or a
17 warranty or representation by the Broker(s) or their licensees.
18
19 **3. OCCUPANCY.**
20 Approximate age of Property? _____ How long have you owned? _____
21 Does SELLER currently occupy the Property? Yes No
22 If "No", how long has it been since SELLER occupied the Property? _____ years/months
23
24 **4. TYPE OF CONSTRUCTION.** Manufactured Modular Conventional/Wood Frame
25 Mobile Other _____
26
27 **5. LAND (SOILS, DRAINAGE AND BOUNDARIES). (IF RURAL OR VACANT LAND, ATTACH SELLER'S LAND**
28 **DISCLOSURE ALSO.) ARE YOU AWARE OF:**
29 **a.** Any fill or expansive soil on the Property? Yes No
30 **b.** Any sliding, settling, earth movement, upheaval or earth stability problems
31 on the Property? Yes No
32 **c.** The Property or any portion thereof being located in a flood zone, wetlands
33 area or **proposed** to be located in such as designated by FEMA which
34 requires flood insurance? Yes No
35 **d.** Any drainage or flood problems on the Property or adjacent properties? Yes No
36 **e.** Any flood insurance premiums that you pay? Yes No
37 **f.** Any need for flood insurance on the Property? Yes No
38 **g.** Any boundaries of the Property being marked in any way? Yes No
39 **h.** The Property having had a stake survey? Yes No
40 **i.** Any encroachments, boundary line disputes, or non-utility easements
41 affecting the Property? Yes No
42 **j.** Any fencing on the Property? Yes No
43 If "Yes", does fencing belong to the Property? N/A Yes No
44 **k.** Any diseased, dead, or damaged trees or shrubs on the Property? Yes No
45 **l.** Any gas/oil wells, lines or storage facilities on Property or adjacent property? Yes No
46 **m.** Any oil/gas leases, mineral, or water rights tied to the Property? Yes No
47
48 **If any of the answers in this section are "Yes", explain in detail or attach other**
49 **documentation:**
50 _____
51 _____
52 _____

Initials Initials
SELLER SELLER BUYER BUYER

Sellers Disclosure and Condition of Property Addendum – Residential
Page 1 of 8

Section 13. Hazardous Conditions

- 186 **13. HAZARDOUS CONDITIONS. ARE YOU AWARE OF:**
- 187 a. Any underground tanks on the Property? Yes No
- 188 b. Any landfill on the Property? Yes No
- 189 c. Any toxic substances on the Property (e.g. tires, batteries, etc.)? Yes No
- 190 d. Any contamination with radioactive or other hazardous material?..... Yes No
- 191 e. Any testing for any of the above-listed items on the Property? Yes No
- 192 f. Any professional testing/mitigation for radon on the Property? Yes No
- 193 g. Any professional testing/mitigation for mold on the Property? Yes No
- 194 h. Any other environmental issues? Yes No
- 195 i. Any controlled substances ever manufactured on the Property?..... Yes No
- 196 j. Any methamphetamine ever manufactured on the Property? Yes No
- 197 (In Missouri, a separate disclosure is required if methamphetamine or other controlled
- 198 substances have been produced on the Property, or if any resident of the Property has
- 199 been convicted of the production of a controlled substance.)



201 If any of the answers in this section are "Yes", explain in detail or attach test results and other

202 documentation:

203

204

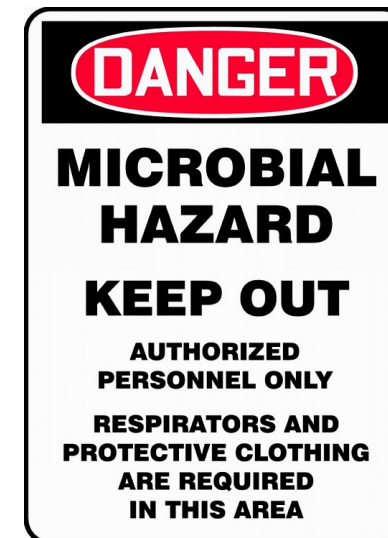


SELLER SELLER

Initials

Initials
BUYER BUYER

Section 13. As seen by the EPA...

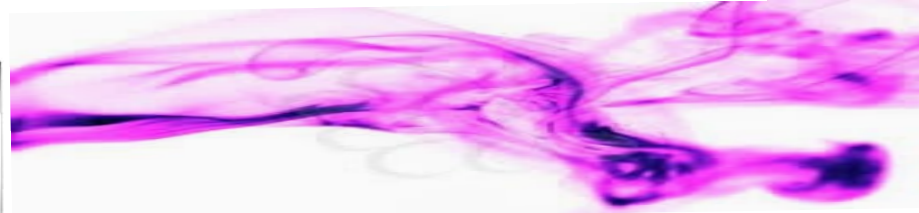
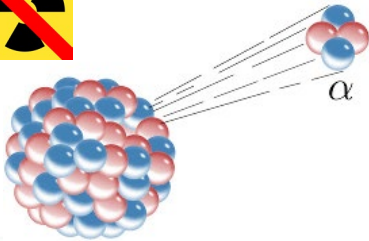
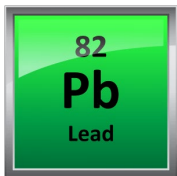


Radon and Real Estate

FOR SALE



Radon Gas is a radioactive, colorless, odorless, and tasteless gas that comes from the natural decay of Uranium and Radium that is found in the ground. The gas can enter homes through cracks or other openings and once inside, it spreads throughout the house. Over time, **it can cause lung cancer** because it is breathed in with the home's air.

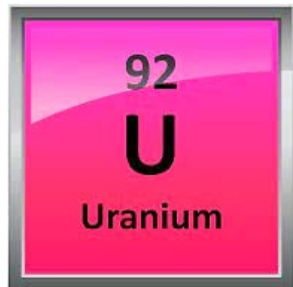


Half Life: 3.8 days

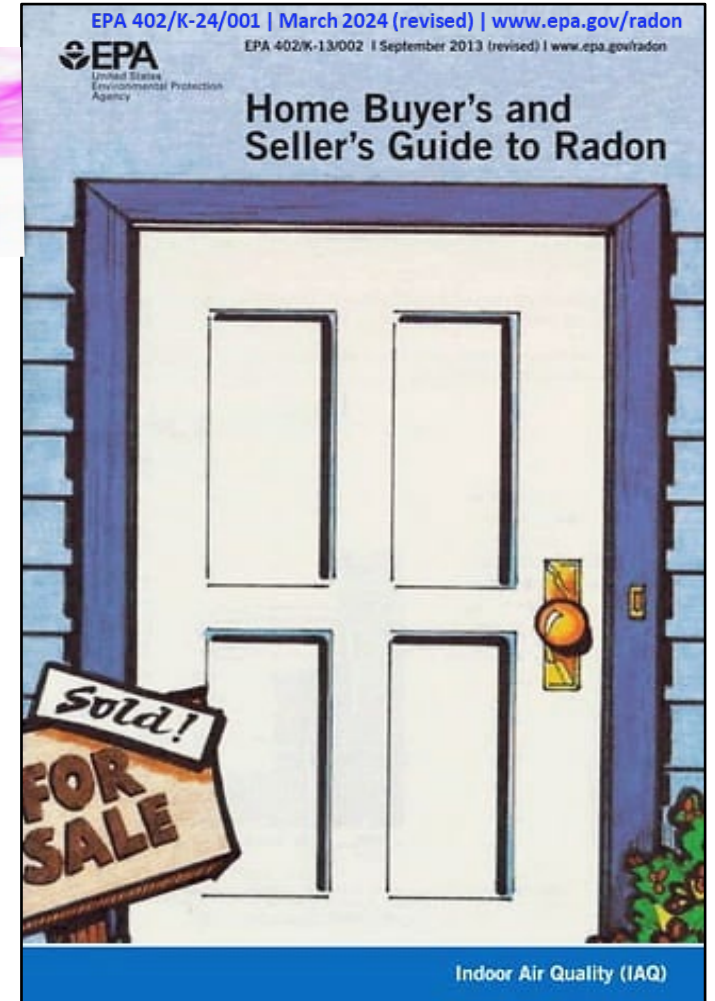


Half Life: 1,600 Years
2.7 M times more
radioactive than
Uranium

The EPA
recommends all
Real Estate Agents
make this
pamphlet available
to their Clients.



Half Life: 4.5 B Years



Radon is measured in Picocuries per liter of air (**pCi/L**).



Understanding Radon Levels

EPA recommends fixing your home if radon level is above 4 pCi/L

Radon Level
4 pCi/L

Equals 200 chest x-ray per year
or
8 cigarettes per day

Radon Level
8 pCi/L

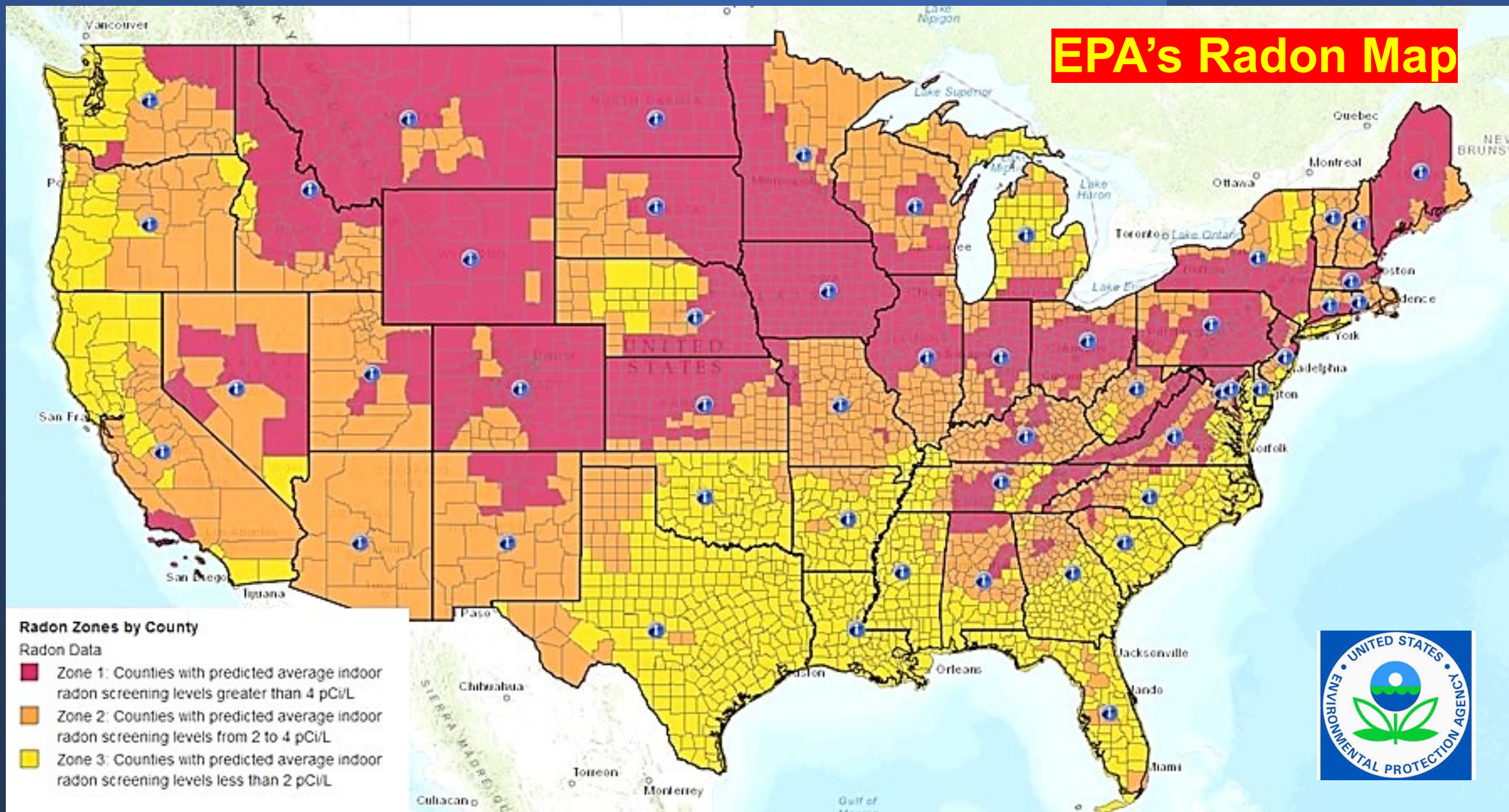
Equals 400 chest x-ray per year
or
16 cigarettes per day

Radon Level
20 pCi/L

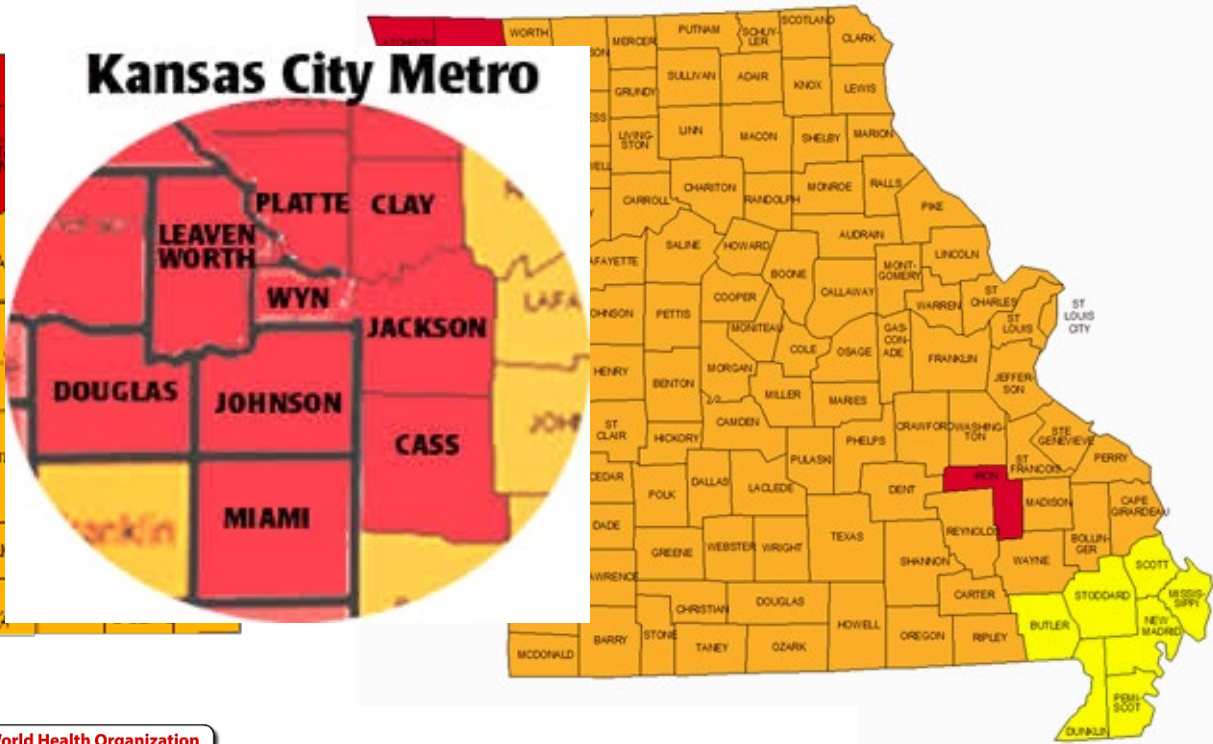
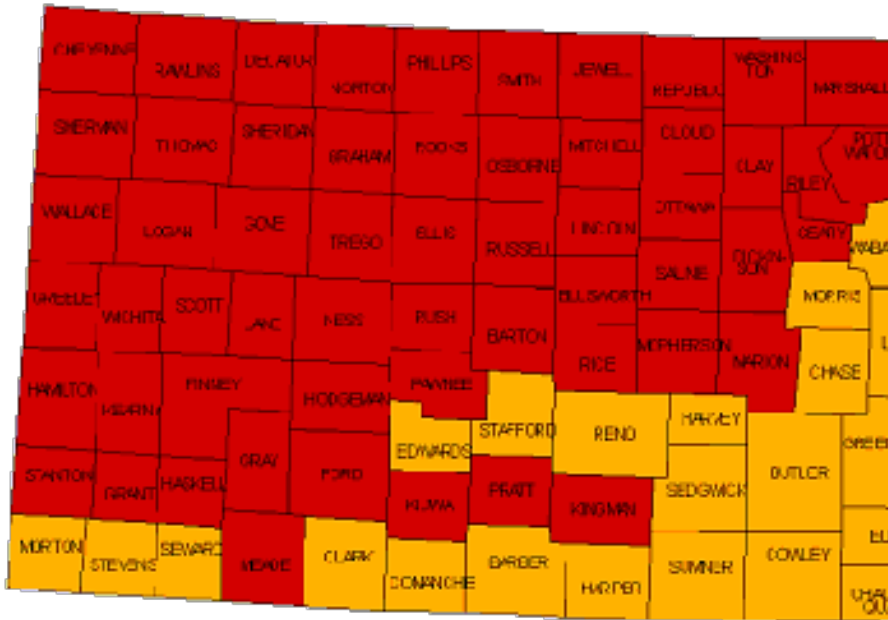
Equals 1000 chest x-ray per year
or
40 cigarettes per day

Source: U.S. Department of Health and Human Services, ABDR (1990). Toxicological Profile for Radon. Atlanta, GA.

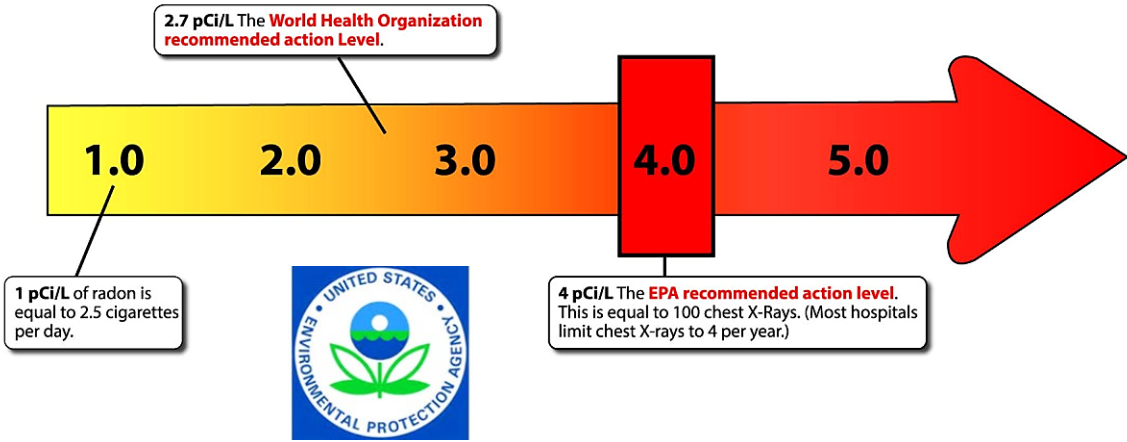
UPDATE: 6/24/24: The EPA recommends considering adding a radon mitigation system to homes that test between 2 pCi/L and 4 pCi/L because there is no known safe level of exposure to radon.



Kansas & Missouri Radon Zones



Fact: A home can have measurable Radon and the one next door could have no Radon...for now.



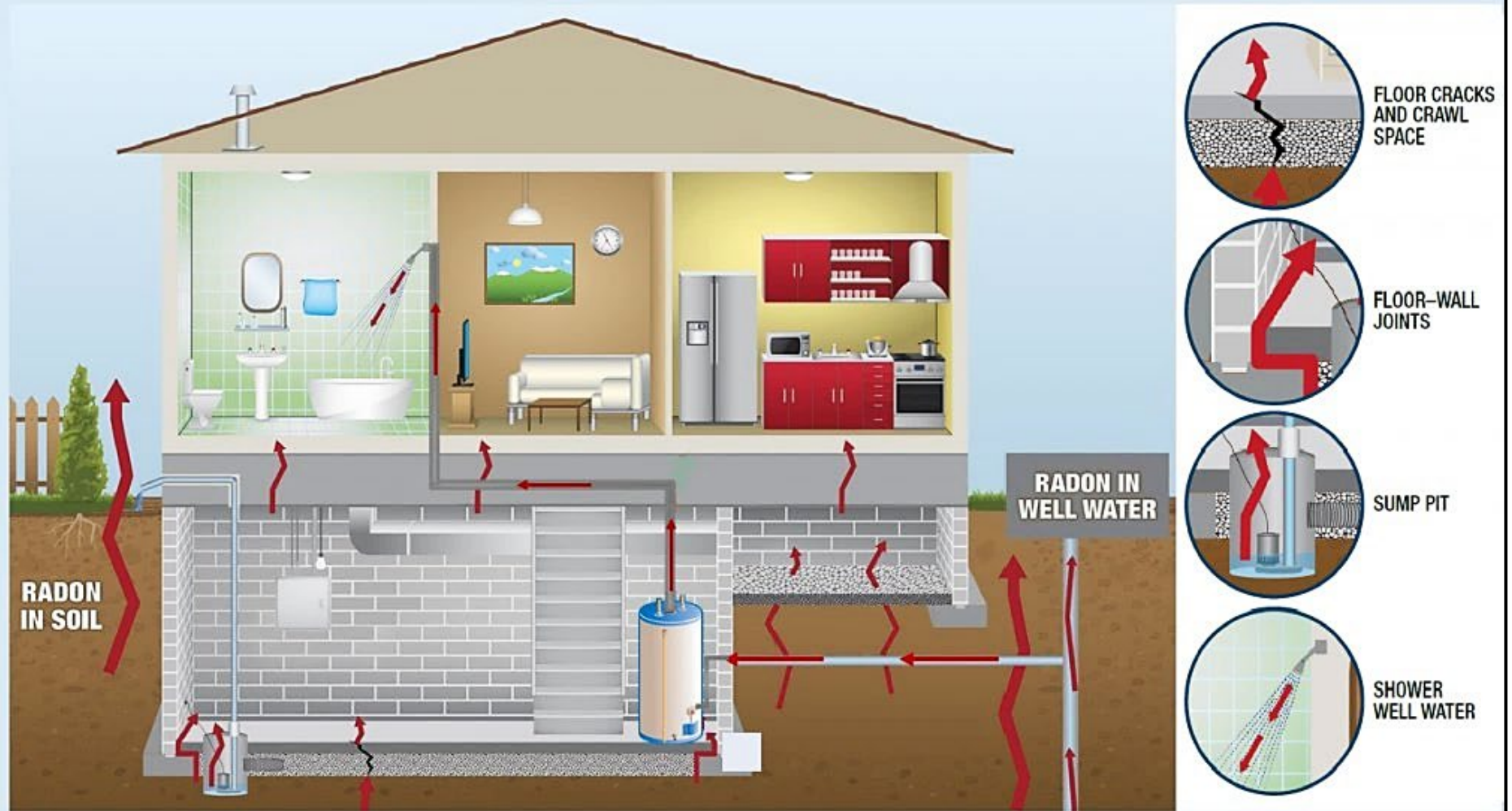
Per the EPA...1 in 15 US homes have elevated Radon levels but...

1 in 3 Kansas City area homes are above 4.0 pCi/L of Radon and...

43% of homes in JOCO, KS test between 4.0 – 20 pCi/L or higher

Radon can enter your home in many ways:

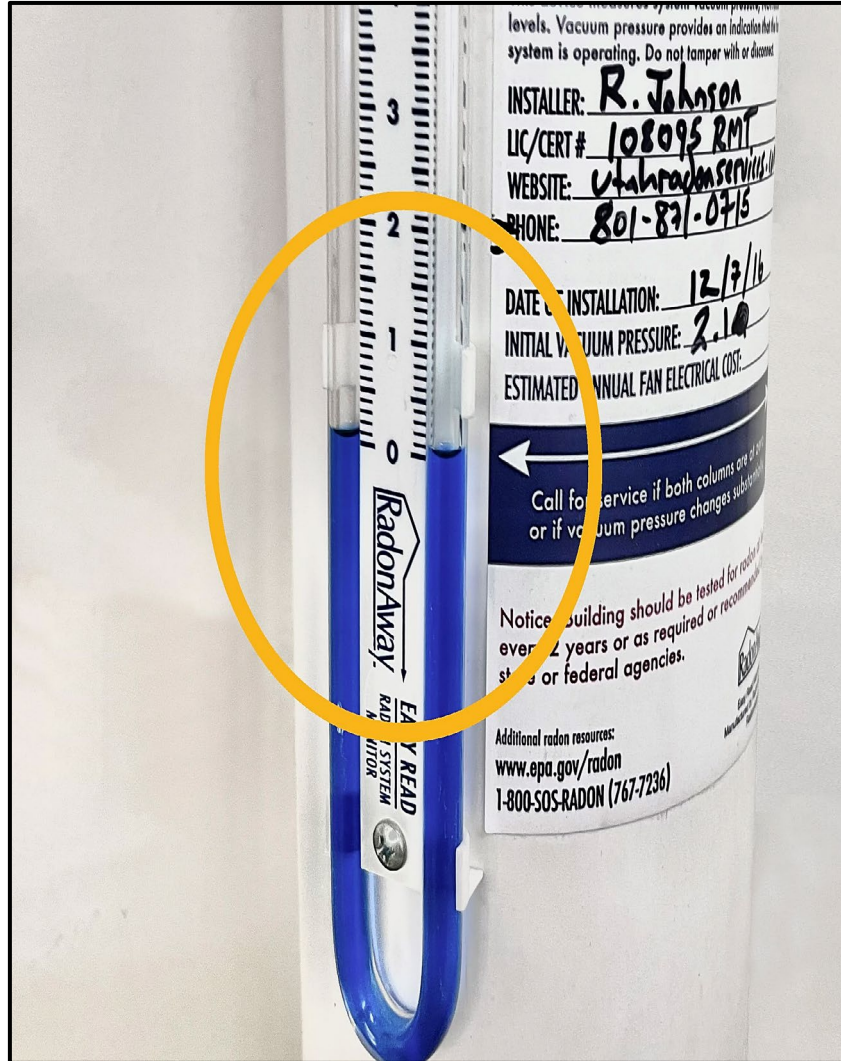
- Cracks in solid floors
- Construction joints
- Cracks in walls
- Gaps in suspended floors
- Gaps around service pipes
- Cavities inside walls
- The water supply



Homes that do not have Radon Include: Houses on stilts, House boats, Tree house, and Mobile homes without skirting.

epa.gov/radon

Do you know what these are?



Section 13f. of the Seller's Disclosure Form asks...
"Any professional testing or mitigation for Radon on the property"?

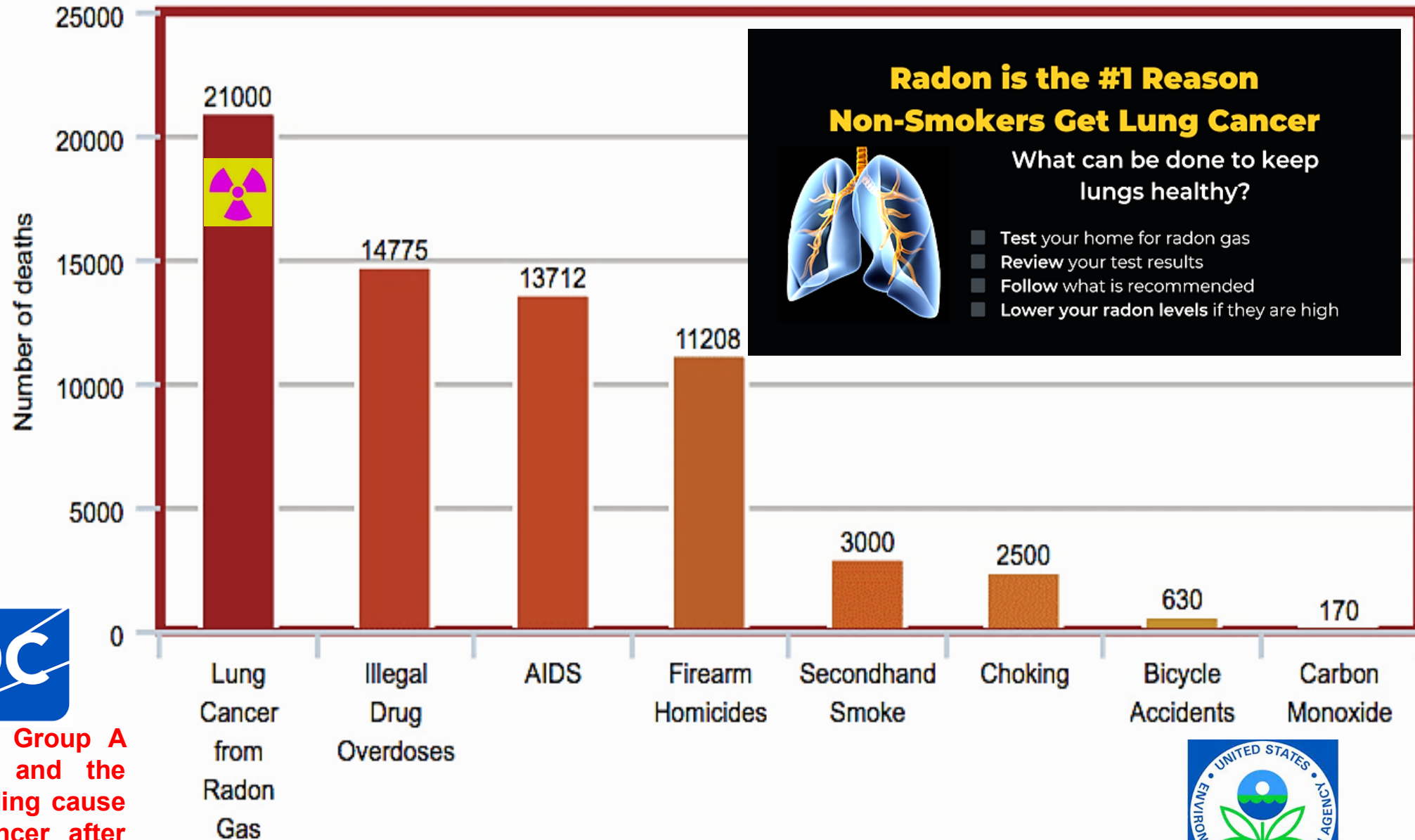
Questions:

- If a home has a Radon Mitigation System, is it Radon free?
- What does the blue fluid indicate?
- Good advice from the EPA for home Buyers about Radon Mitigation Systems...



1. Have the system professionally checked for function and codes before buying.
2. Have the entire Radon Mitigation System professionally checked every 5 years.
3. Test for Radon every 2 years even if you do not have a Radon Mitigation System.

EPA's estimate of deaths per year due to Radon



Radon is a Group A Carcinogen and the second leading cause of lung cancer after cigarette smoking





Asbestos is a naturally occurring mineral fiber found in some rocks and soil.

If a house was built prior to 1990, it likely contains some asbestos-containing materials such as...

- Vermiculite (Zonolite) attic insulation installed in 35 million homes between **1940-1990**
- Vinyl Floor Tiles and the backing on Vinyl Sheet Flooring and Adhesives
- Ceiling Tiles and “Popcorn Ceilings”
- Roofing and Siding Shingles
- Textured Paint and Patching Compounds used on walls and ceilings (**Banned by EPA in 1977**)
- Door Gaskets, Walls, and Floors around oil, coal, and wood burning furnaces
- Artificial Ashes and Embers in gas-log fireplaces
- Insulating Blankets and Tape on Heating Ducts, Water Heaters, Steam Pipes and Boilers

NOTE: In 1989, the EPA put a “*Partial Ban*” on the manufacture, import, and distribution of some asbestos-containing products and “*Banned new uses of Asbestos*” to prevent asbestos products from entering the US. **Chrysotile Asbestos** which is used in brake pads, chlorine bleach and other products, was still allowed.

Asbestos products have been used in many Kansas City area homes up until **1990**. **It becomes especially hazardous during the remodeling or “flipping” of an older home** because asbestos fibers may be disturbed and exposed to the air where they can remain for weeks and breathed in by the people doing the remodeling, the Realtor(s) listing and showing the home, and the prospective Buyer(s) visiting and living in the property.



The EPA recommends that a professional Asbestos test be done in any home built prior to 1990.



Health Effects From Exposure to **Asbestos**

The mere presence of **Asbestos** in a home or a building **is not hazardous**. The danger is that asbestos materials may become damaged over time. The best thing to do with asbestos material in good condition is to **LEAVE IT ALONE!**

The EPA and the Department of Health and Human Services both state...

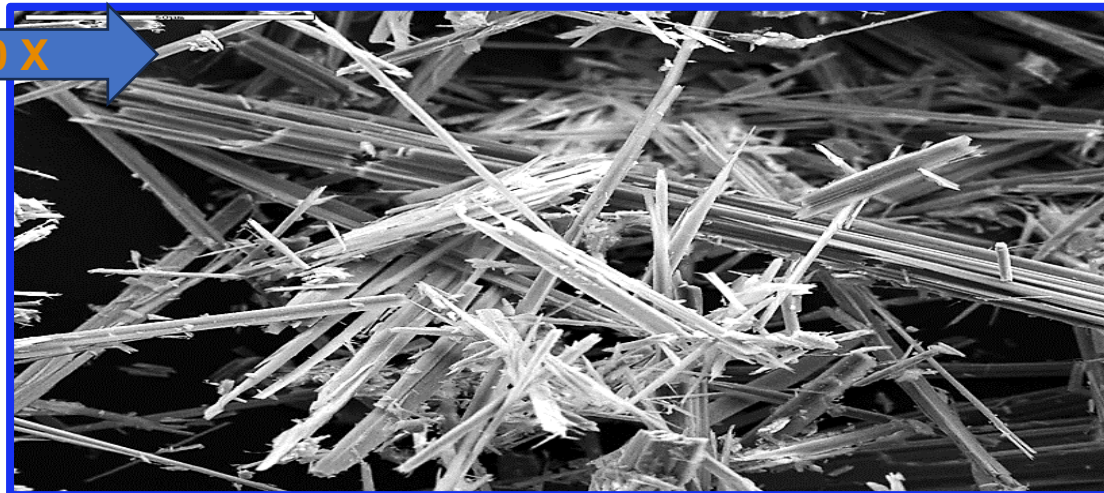
There is no safe level of exposure to Asbestos

Asbestos is a known carcinogen and is the only known cause of **Mesothelioma**. Exposure to asbestos increases your risk of developing lung disease and the risk is made worse by smoking.

Five major health effects associated with Asbestos exposure:

Asbestos fibers

500 X



The EPA estimates **Asbestos** exposure is linked to more than **40,000 deaths in the US annually...twice** as much as Radon deaths.

- **Lung Cancer**
- **Mesothelioma**
- **Asbestosis**
- **Ovarian Cancer**
- **Larynx Cancer**

Let the pros do the testing and abatement of Asbestos



Test samples for the lab



Professional Abatement of Asbestos

UPDATE: On March 18, 2024 the Environmental Protection Agency announced **a total ban on Chrysotile (White) Asbestos**, a carcinogen that is still used in some chlorine bleach, brake pads, and other products. **The new rule will permanently ban the only form of asbestos currently sold in the United States.**



That was a lot of information!



Let's take a 10-minute break!

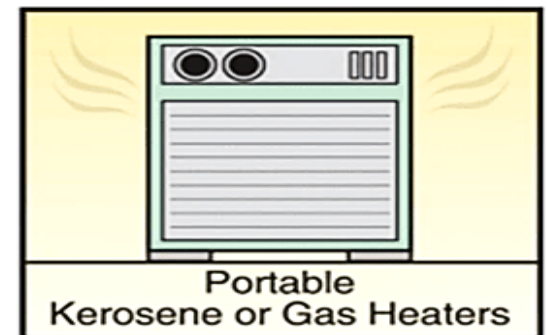
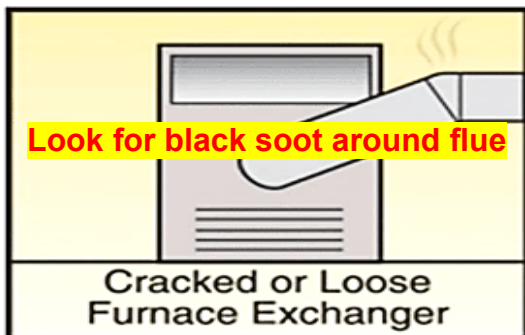
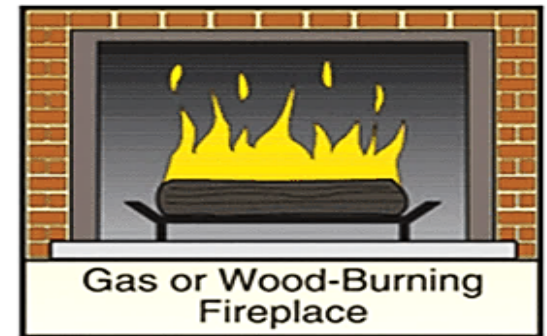
Carbon Monoxide

A colorless, odorless, poisonous gas that is created by a flame that burns without an adequate amount of oxygen. **Carbon Monoxide** kills insidiously, causing only mild symptoms of: **Headache, dizziness, ringing in the ears, sweating, nausea, and fatigue before causing unconsciousness and death.** Firemen and EMT's call it...



The Silent Killer

SOURCES OF CARBON MONOXIDE IN A HOME



Clients who had Carbon Monoxide and didn't know it



Carbon Monoxide was detected in these homes. Neither Seller had a carbon monoxide detector and both said their family members periodically complained of “*headaches, ringing ears, and feeling tired*” but they had no idea what was causing the symptoms.




Both families were VERY lucky to have escaped The Silent Killer

The **Silent Killer Award** for the Worst Carbon Monoxide Emitter goes to...



Advise your clients to install Smoke and CO Detectors on all levels of their home



Install and test carbon monoxide (CO) alarms at least once a month.

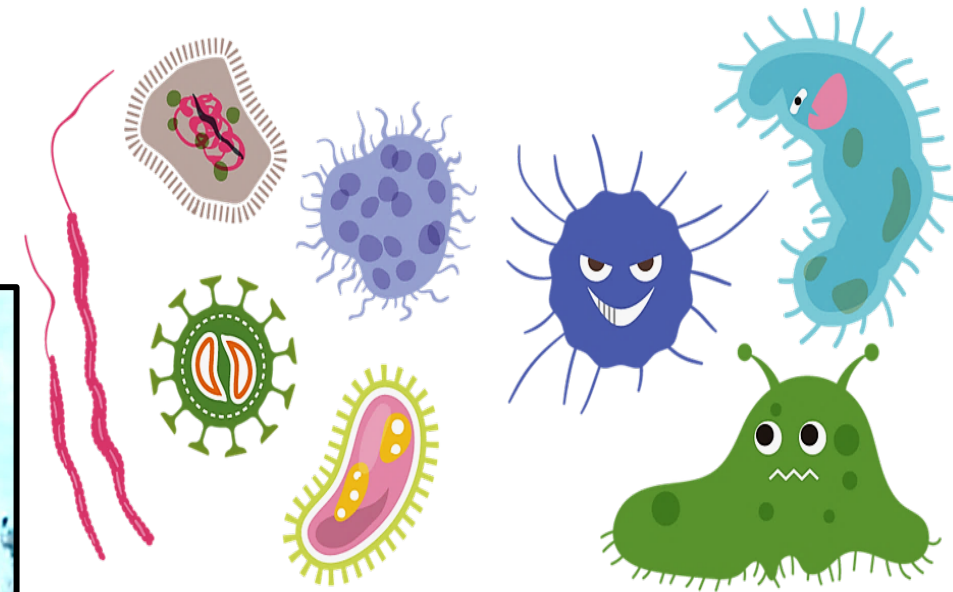
CO is called the "invisible killer" because it's a colorless, odorless, poisonous gas. Breathing in CO at high levels can be fatal.

FEMA U.S. Fire Administration

Mold is a fungus that can grow virtually anywhere if there is sufficient **moisture**, **oxygen**, and a **food source**.

6 ELEMENTS THAT CAUSE MOLD

- Mold Spores
- Moisture
- Food Source
- Oxygen Supply
- Lack of Sunlight
- Optimal Temp.



MEET THE MOLD FAMILY

Mold can be found in a home on a wide variety of organic substances, such as wood, wallpaper, walls, floors, showers, bathtubs, ceilings, inside HVAC systems, and inside sheetrock walls if they were exposed to water from flooding, a backed-up sewer line, or a sump pump failure. **Molds may trigger allergic reactions or asthma attacks in susceptible people.**

Be Advised... Many lawsuits have been filed because the Seller (or their Agent) withheld known mold issues or did not honestly answer **Section 13 g.** on the Seller's Disclosure which asks... **"Any professional testing/mitigation for mold on the Property?"**.

“Beautiful, well-maintained home with large kitchen”



If you visit a home with this much mold...**GET OUT!**
Seek medical attention if you develop breathing
issues. **Your broker should be informed of the mold.**

Mold can be confirmed with a DIY test kit but the results may not be 100% accurate.



Best advice...always go with a pro if in doubt



Question: Does household bleach kill Mold?

Formaldehyde Gas and SBS



Formaldehyde, AKA **Methanal**, is a very pungent gas used in many building materials that can cause respiratory problems and can irritate the eyes and skin.

Formaldehyde gas is a colorless, flammable, and very pungent gas which is the major cause of **Sick Building Syndrome (SBS)**, an illness which often causes fatigue, headache, dry cough, and nausea.

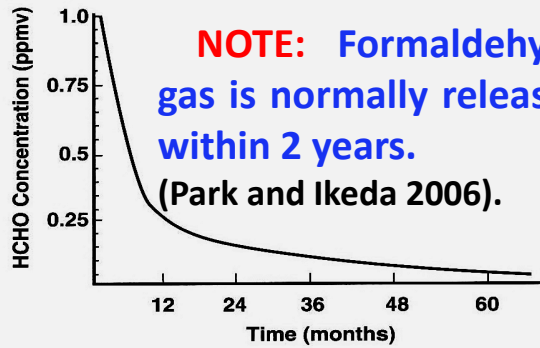
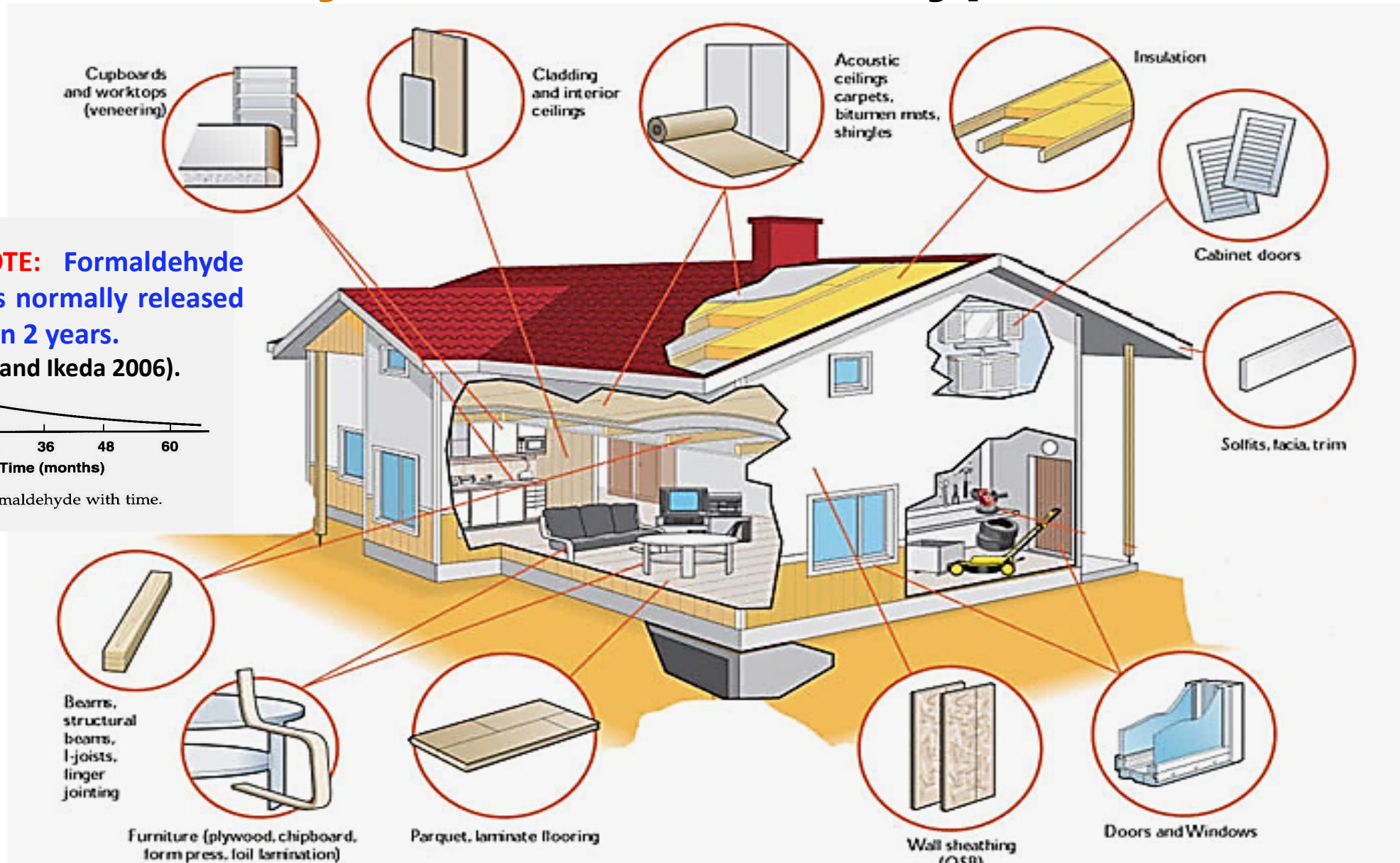
Urea-Formaldehyde Foam Insulation (UFFI), AKA Amino Foam, **was banned by the U.S. Consumer Product Safety Commission in 1982** for use in residences and schools due to health issues.

In 1987, the EPA designated Formaldehyde as a “probable human carcinogen” under conditions of unusually high or prolonged exposure because it can cause leukemia and cancers of the nose, throat, and sinuses.



UPDATE: On 4/1/2024, the FDA banned the use of Formaldehyde in hair-straightening products.

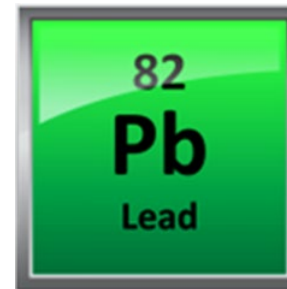
Formaldehyde Products in a typical home



Generalized decrease of formaldehyde with time.

FACT: Homes built after 1990 can take up to 14 years for Formaldehyde Gas to dissipate...Why?

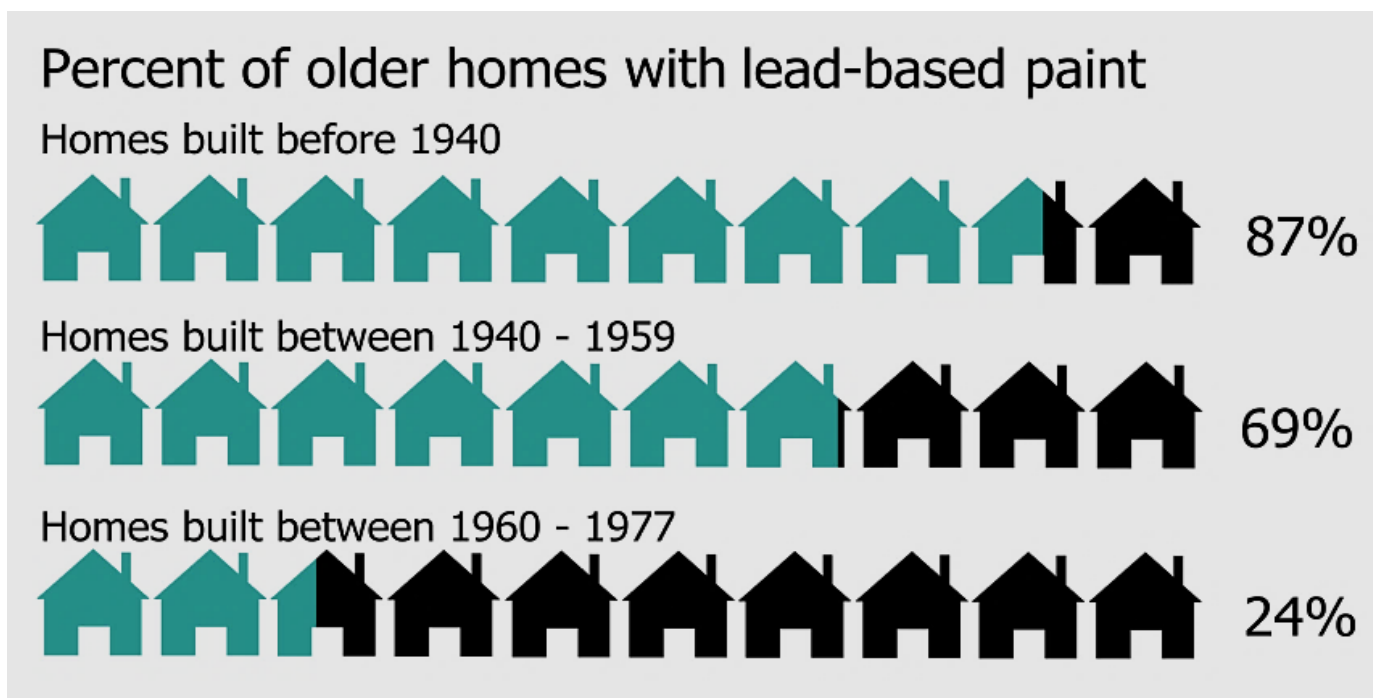
Lead is a naturally occurring element found in small amounts in our environment – the air, the soil, the water, and inside our homes.



Lead is toxic to humans and animals and is particularly dangerous to infants and children who may ingest paint flakes from toys painted with lead-based paints.

Lead can harm the brains of children, possibly causing reduced intelligence, impaired memory, delayed motor development, and impaired hearing and balance.

If a home was built before 1978, it is more likely to have lead-based paint.



Common Places to Find Lead in and Around Your Home

LEAD PAINT HAZARDS on:

Home Exterior

- Wood
- Bricks
- Stucco
- Cement
- Metal
- Window frames
- Shutters
- Doors
- Door frames
- Stair railings

Home interior:

- Walls, especially the bathroom and kitchen
- Kitchen cupboards
- Floors
- Stairs
- Handrails
- Moldings



OTHER LEAD HAZARDS:

Dust

- Threshold
- Under deteriorating paint
- Fabric, carpeting

Polyvinyl plastics

- Mini blinds
- Electrical chords

Ceramic tile:

- Kitchens
- Bathrooms
- Hearths

Brass:

- Key rings
- Inner fixtures of faucets
- Inner fixtures on well pumps

Solder

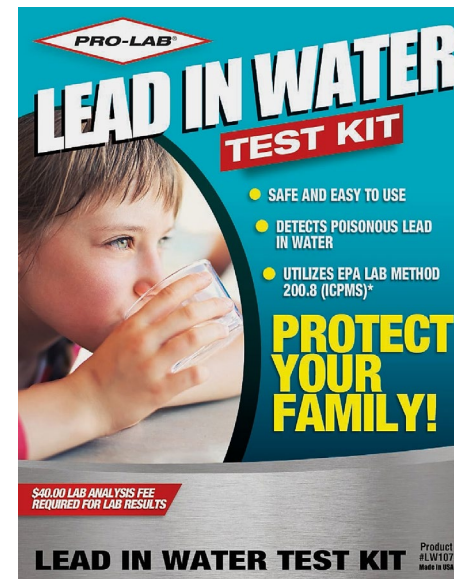
- Copper pipes leading to tap
- Stained-glass windows
- bathroom and kitchen

Image Source: 3M

Two ways to detect the presence of **Lead** in a home:

1. **A Paint Inspection** will reveal the lead content of the various paints in the home.
2. **A Risk Assessment** will detail any serious lead exposures, such as lead dust or peeling paint, and provide information on how to remove the hazards.

Lead can be confirmed professionally or by yourself but always use a professional if in doubt to be sure and safe.



Note: Home Lead Test Kits are NOT 100% accurate and can give false readings

Don't ignore this...it could cost you a lot of money!


The Lead-Based Paint Hazard Reduction Act (LBPBRA) requires the Seller or Landlord of a property built prior to 1978, that uses a Real Estate Agent, must fill out the LEAD BASED PAINT DISCLOSURE ADDENDUM (LBPA) and the Buyer or Lessee must be given this pamphlet. Also, Renovators must give homeowners the pamphlet before commencing work if the property was built prior to 1978.

Warning

* *“Errors, incorrect signatures, dates, missing information or initials on the LBPA can result in fines of \$11,000 per instance”*

* Per EPA's Section 1018 Disclosure Rule Enforcement Response and Penalty Policy



 **LEAD BASED PAINT DISCLOSURE ADDENDUM**
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

1 SELLER: _____
2
3 PROPERTY: _____
4

Lead Warning Statement:
5 Every purchaser of any interest in residential real property on which a residential dwelling was built
6 prior to 1978 is notified that such property may present exposure to lead from lead-based paint that
7 may place young children at risk of developing lead poisoning. Lead poisoning in young children
8 may produce permanent neurological damage, including learning disabilities, reduced intelligence
9 quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk
10 to pregnant women. The seller of any interest in residential real property is required to provide the
11 buyer with any information on lead-based paint hazards from risk assessments or inspections in the
12 seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment
13 or inspection for possible lead-based paint hazards is recommended prior to purchase.
14
15




Seller's Disclosure (Initial applicable lines)
16

17 a. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED
18 PAINT HAZARDS: (check one below)
19 Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
20 _____
21 Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
22


23 b. RECORDS AND REPORTS AVAILABLE TO THE SELLER:
24 (check one below)
25 Seller has provided the Buyer with all available records and reports pertaining to lead-based
26 paint and/or lead-based paint hazards in the housing (list documents below).
27 _____
28 Seller has no reports or records pertaining to lead-based paint and/or lead-based
29 paint hazards in the housing.
30


Buyer's Acknowledgment (Initial applicable lines)
31


32 c. BUYER HAS RECEIVED COPIES OF ALL INFORMATION LISTED
33 ABOVE
34 d. BUYER HAS RECEIVED THE PAMPHLET
35 "Protect Your Family from Lead in Your Home"
36 e. BUYER HAS: (Check one below)
37 Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment
38 or inspection for the presence of lead-based paint or lead-based paint hazards; or
39 Waived the opportunity to conduct a risk assessment or inspection for the presence of
40 lead-based paint and/or lead-based paint hazards.



Protect Your Family From Lead in Your Home

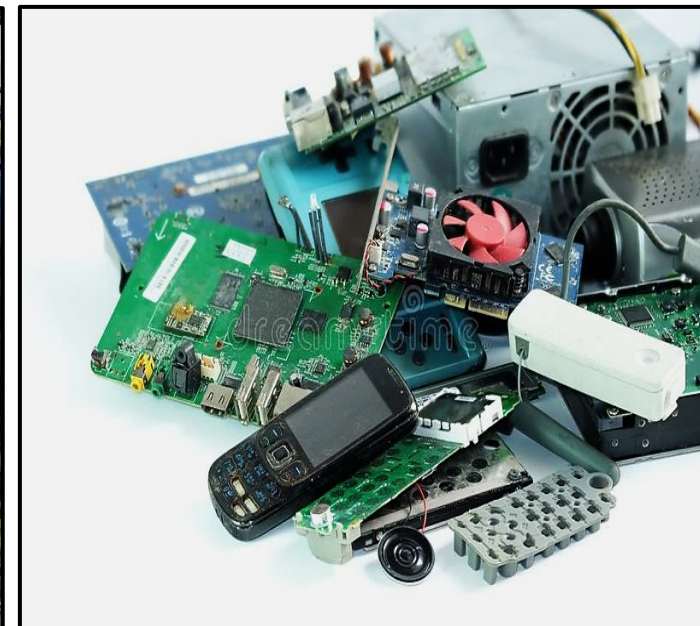
 United States Environmental Protection Agency

 United States Consumer Product Safety Commission

 United States Department of Housing and Urban Development

September 2013

If you see these items at a property, **BE VERY CAREFUL!!**

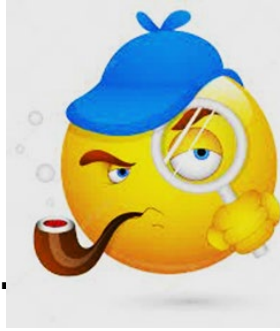


Signs of potential drug activity outside a home:

- **Elaborate Security:** Meth makers often post warning signs outside a home that say...**Protected by a Gun!** or **Guard Dog!** to scare off unwanted visitors. Video cameras are used to warn them of persons approaching the premises.
- **Windows:** Meth makers do not want anyone seeing what they are doing. If windows are shuttered, covered with plastic film, have been painted, or have sheets of plywood or other materials leaned against them, be **VERY** cautious.
- **Dead Vegetation:** Meth makers sometimes dump the residue of a batch of meth in their back yards which kills the grass or vegetation because it contains toxic substances. They may also have a burn barrel or pit where they burn the trash left over from making meth.
- **Excessive or Unusual Trash:** Meth makers produce large quantities of unusual waste such as: Cold tablets packages that contain pseudo-ephedrine -- Lithium batteries that have been torn apart -- Used coffee filters with colored stains or powdery residue -- Empty containers, often with puncture holes, of antifreeze, white gas, ether, starting fluids, freon, lye, drain opener, paint thinner, acetone, alcohol, hydriodic acid, red phosphorus, and iodine.
WARNING: If you see any of these items, there's a good chance **you are at a Meth House...think twice before entering!**



Signs of possible drug activity inside...



- **Strong odors:** Cat urine, ammonia, rotten eggs, vinegar, vanilla, solvents, or metallic smells.
- **Metallic taste in your mouth:** If you have this sensation or your eyes or throat start to itch or burn, **leave the property immediately** and seek medical attention if you have developed breathing issues!
- **Visible fire damage:** Look for flashing to walls and ceilings in the kitchen, laundry, or garage.
- **Wall and carpet staining:** Iodine is often used to manufacture Meth and it leaves a red/yellow stain that sticks to everything. It may be very noticeable if a photo or other wall hanging is moved.
- **Smoke, or CO2 detectors muted:** Look for disconnected batteries or tape placed over the sensors.
- **Mold in rooms:** Very common due to increased levels of humidity caused by cooking the Meth.
- **Blue valve on propane bottle:** Anhydrous Ammonia is often used to manufacture meth and it corrodes and discolors the tanks brass valves **blue**. **WARNING: In the right conditions, Anhydrous Ammonia can be explosive so do not touch these items!**
- **Dismantled electronics:** Meth users sometimes become obsessive with objects such as remote controls, watches, cell phones, and other electronic devices. They frequently dismantle these objects down to the smallest parts and leave them in a pile.
- **Excessive rubbish:** Lots of trash is left over after cooking a batch of meth. It is usually found in the home, garage, or outside. **NOTE: A messy home may be just that and not a Meth lab.**

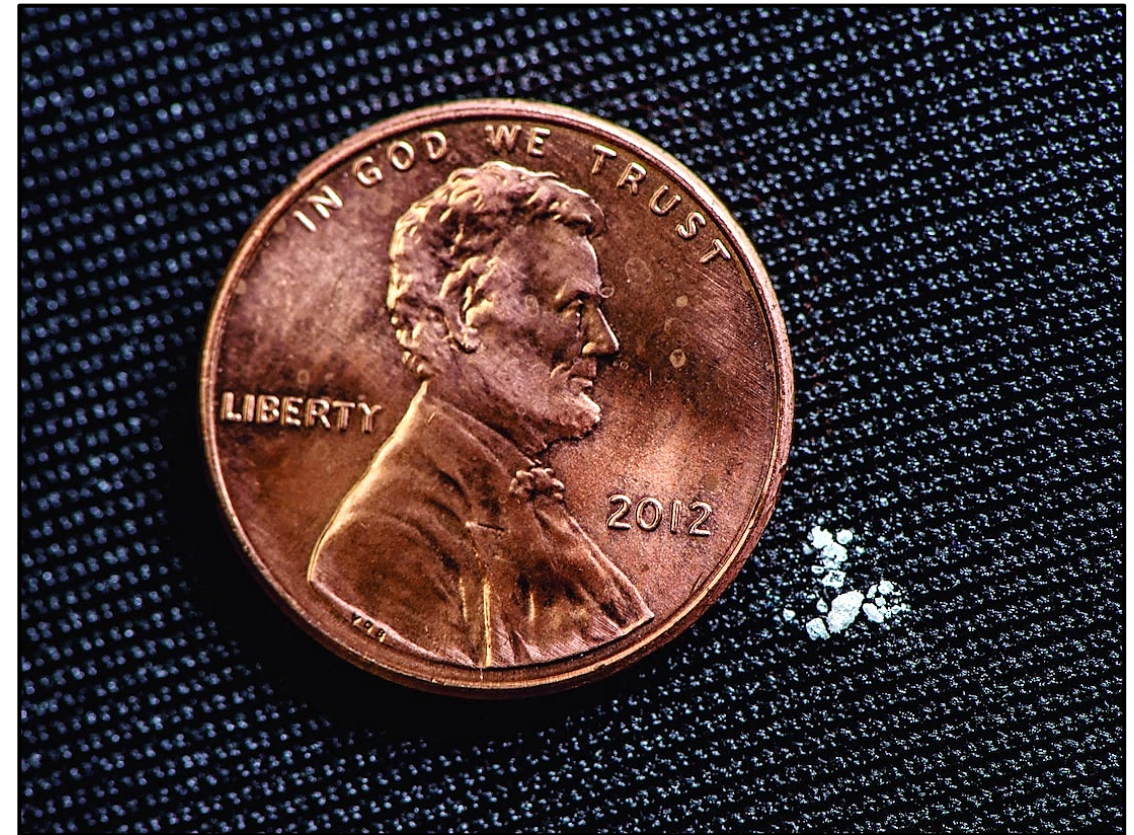
Typical Home Meth Lab



If Meth is in the home...Fentanyl may be also!

Fentanyl is a Schedule II prescription drug used to treat patients suffering from severe pain after surgery. According to the National Institute of Drug Abuse, **Fentanyl is 50 to 100 times more potent than morphine and deadly if not handled properly.**

If you see these...DO NOT TOUCH THEM!



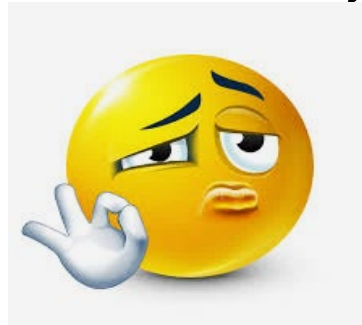
Exposure to this much Fentanyl can make you VERY ill or kill you!

Kansas and Missouri Meth Lab Disclosure Laws

Kansas: Does not require a Seller to disclose if a home or property was previously the site of an illegal meth lab.



Missouri: Statute 442.606 says... *“If a property is or was used as a site for methamphetamine production, the Seller MUST disclose that in writing to the Buyer”.*



Section 13 j. of the Seller’s Disclosure Form says... *“In Missouri, a separate disclosure is required if methamphetamine or other controlled substances have been produced on the property, or if any resident of the property has been convicted of the production of a controlled substance”.*

Drug Activity Verification Sites

NOTE: You may pass along to your clients but...



Kansas Bureau of Investigation

1620 SW Tyler
Topeka, KS 66612
(785) 296-8200

<https://www.kbi.ks.gov/registeredoffender/>



Missouri State Highway Patrol

Division of Drug and Crime Control
P.O. Box 568
Jefferson City, Missouri 65102-0568
(573) 526-6155

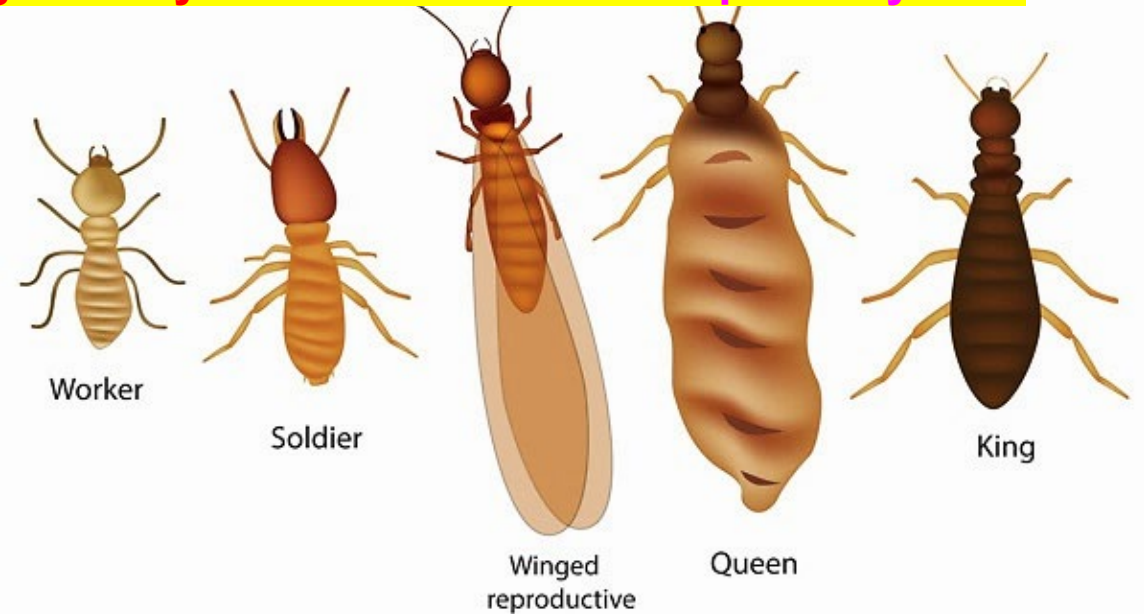
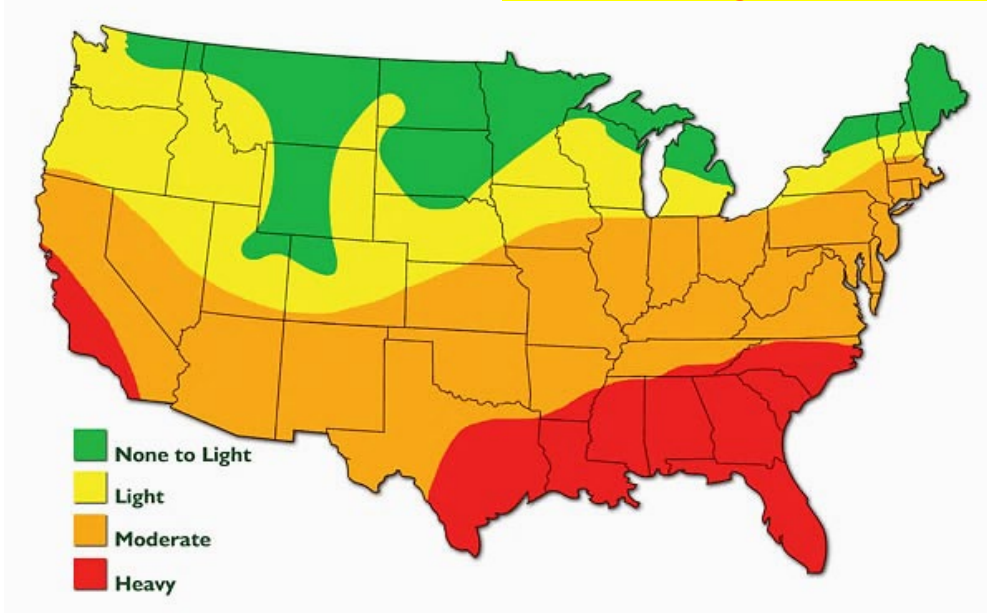
<https://www.mshp.dps.missouri.gov/CJ38/searchRegistry.jsp>⁴⁸



Termites in Kansas and Missouri

Termites are nature's recycler. They play an important role in our ecosystem but they can also be very destructive, costing homeowners millions of dollars worth of damage each year.

Eastern Subterranean Termites are the primary termite found in Kansas and Missouri. They live in underground colonies **that can exist for 100 years!** The termites travel on highways that radiate out from the colony up to 150 + yards looking for food. **Colonies can have 60,000 to 1 million termites** and consist of a queen, soldiers, workers, and reproductive swarmers. The queen's sole purpose is to make more termites and **she can lay 11 million eggs each year. Queens can live up to 50 years!**



FACT: Kansas City is one of the top 50 US cities most affected by termites! 49

Old Damage



Dead Termites or Wings



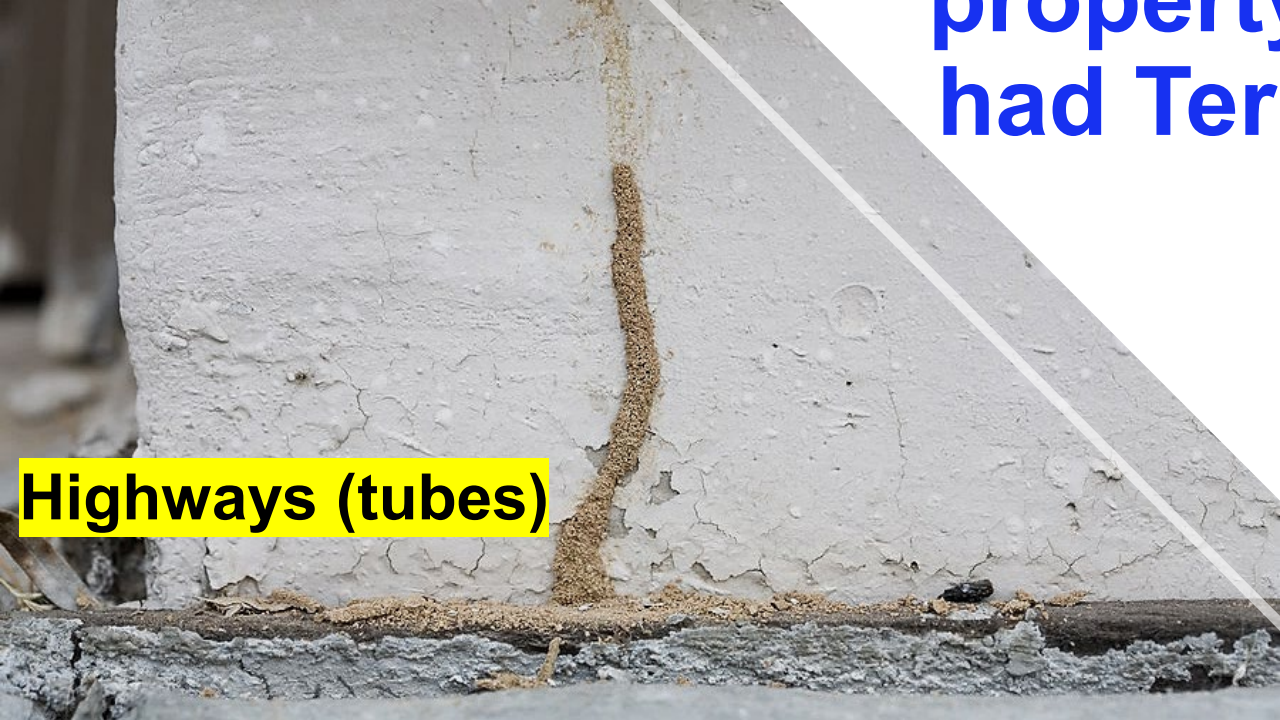
Signs a property has or had Termites...



Live Termites



Highways (tubes)



Got Termites? If in doubt, leave it to the pros.



Termite inspectors and exterminators must be licensed in Kansas and Missouri. If termites are discovered or a treatment is done, it must be noted in Section 7 on the Seller's Disclosure Form.

Underground Storage Tanks (USTs)

A property may contain an abandoned septic tank that was not properly deactivated or an underground storage tank which held motor oil, home heating oil, or toxic waste. These **USTs** will eventually leak their toxic contents into the groundwater, creating a potential liability for the developer of a housing community or for an individual property owner.

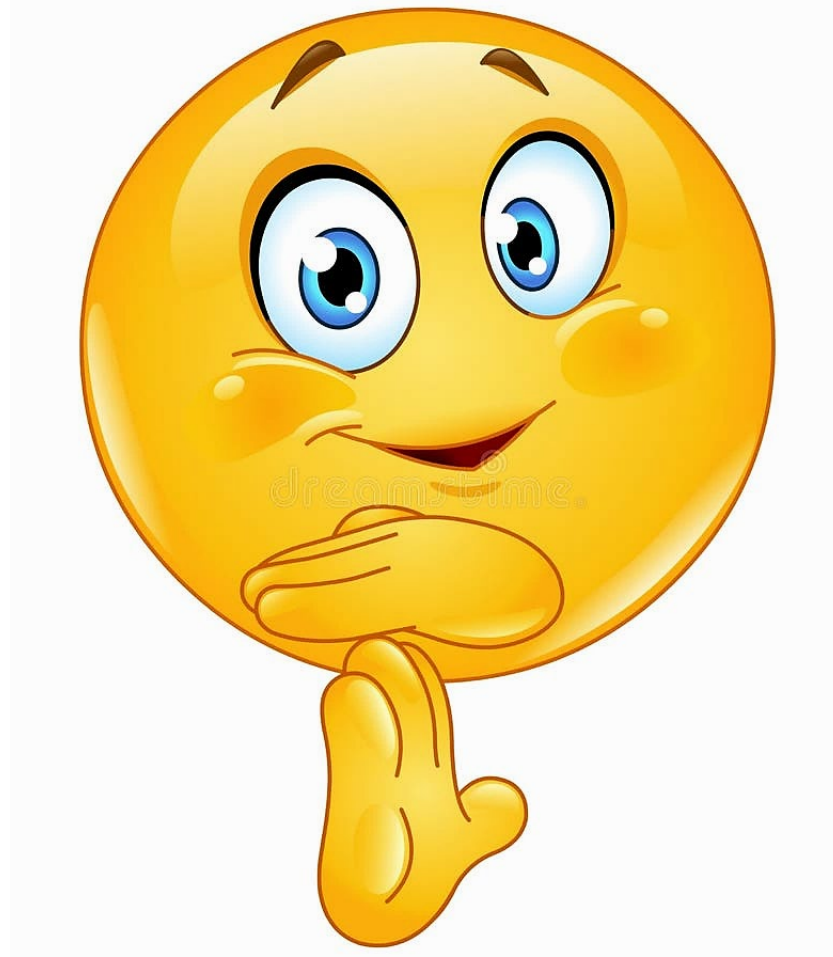


If a Seller knows of an underground tank on their property, they must check “**Yes**” in **Section 13a** on the Seller’s Disclosure Form and provide details.

If a known **UST** is not disclosed, **guess who the Buyer will go after if they discover the tank?**

FYI...The average cost to remove a tank is **\$1000 to \$2,500** depending on the size of the tank.

Time to take a Break !

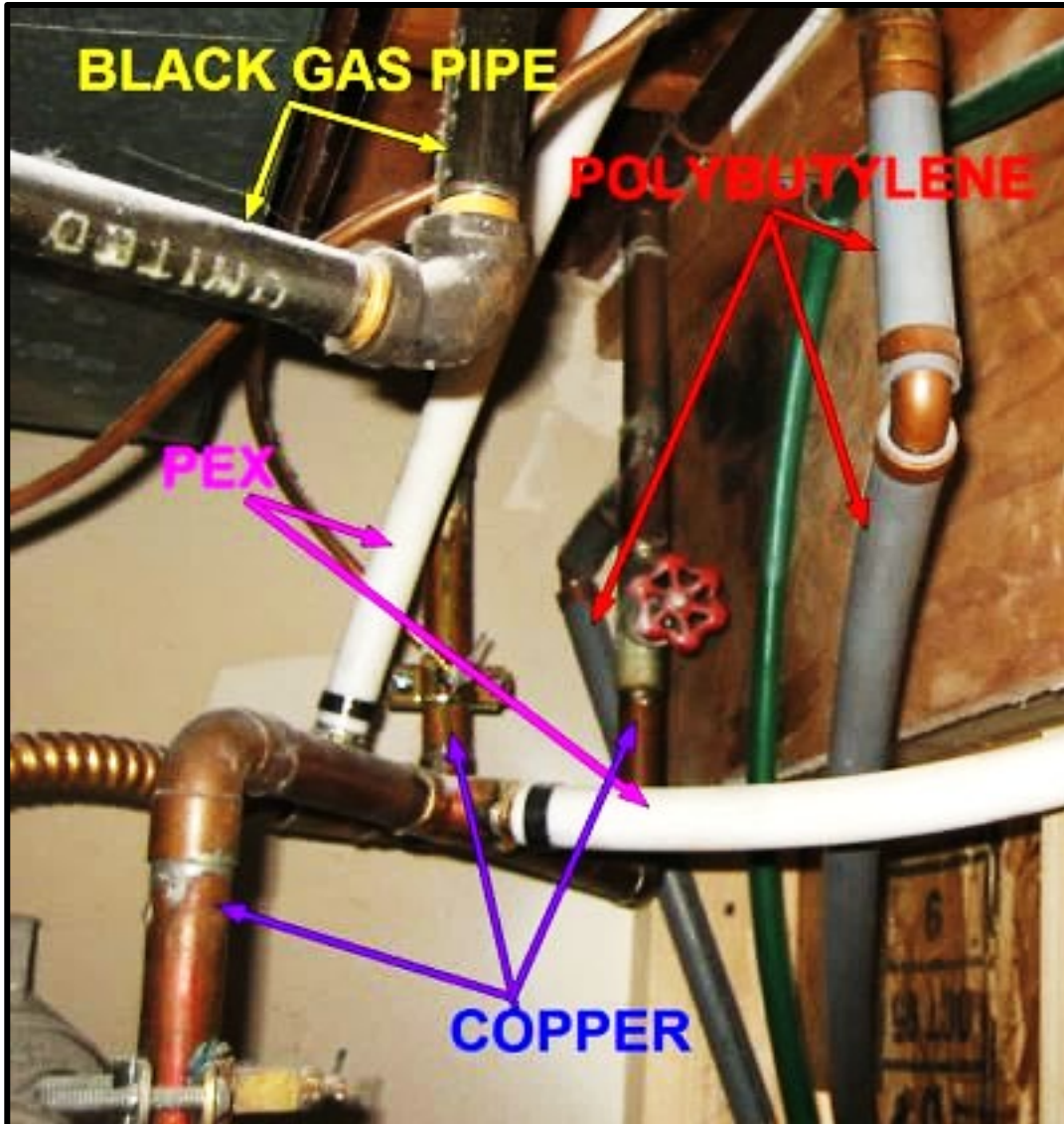


Be back in 10 for our final 50








Section 10L: “Type of plumbing material currently used in the Property”?



PETER PIPES knows....Do You?



Various Plumbing Piping found in homes

Stainless Steel Pipe	PEX Pipe	Copper Pipe	PVC Pipe	Galvanized Pipe	Brass Pipe	Cast Iron Piping
						
Used in areas subject to corrosion	Popular in residential and small business applications	Used for hot and cold water	Used for cold and hot potable water	Used for grey water	Used for water tanks and wells	Used for water distribution systems

Remember: It's OK to assist your client to answer these HVAC-related questions...if you know for sure

F333

152 **11. HEATING AND AIR CONDITIONING.**

153 a. Does the Property have air conditioning? Yes No

154 Central Electric Central Gas Heat Pump Window Unit(s)

155 Unit Age of Unit Leased Owned Location Last Date Serviced/By Whom?

156 1. _____

157 2. _____

158 b. Does the Property have heating systems? Yes No

159 Electric Fuel Oil Natural Gas Heat Pump Propane

160 Fuel Tank Other _____

161 Unit Age of Unit Leased Owned Location Last Date Serviced/By Whom?

162 1. _____

163 2. _____

164 c. Are there rooms without heat or air conditioning? Yes No

165 If "Yes", which room(s)? _____

166 d. Does the Property have a water heater? Yes No

167 Electric Gas Solar Tankless

168 Unit Age of Unit Leased Owned Location Capacity Last Date Serviced/By Whom?

169 1. _____

170 2. _____

171 e. Are you aware of any problems regarding these items? Yes No


172 If "Yes", explain in detail:

173

174

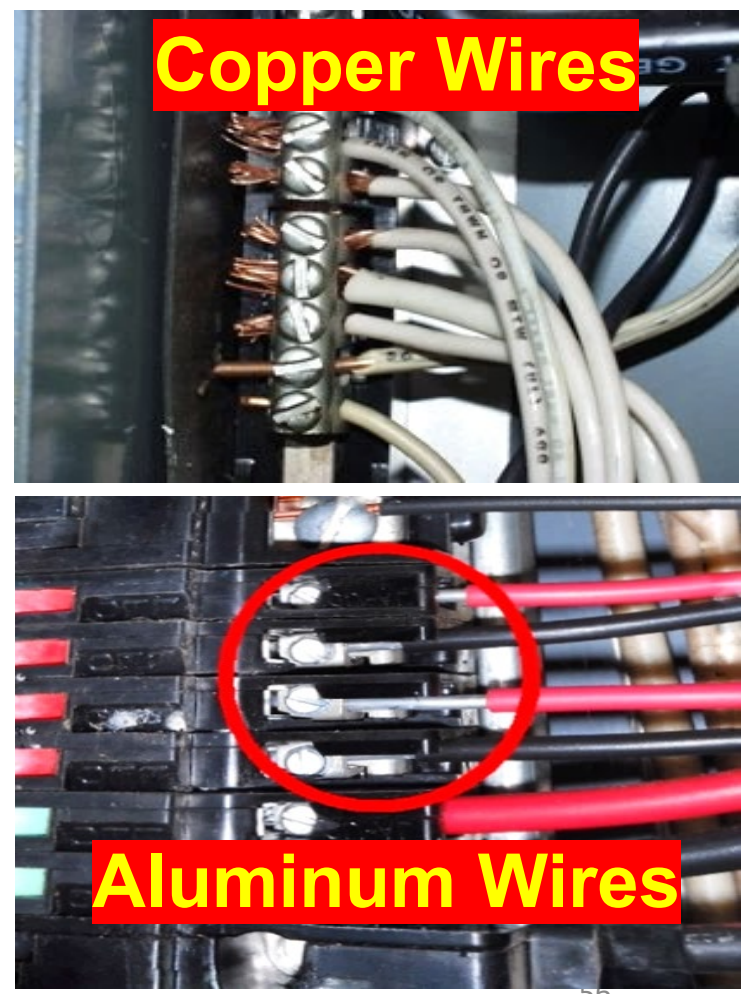
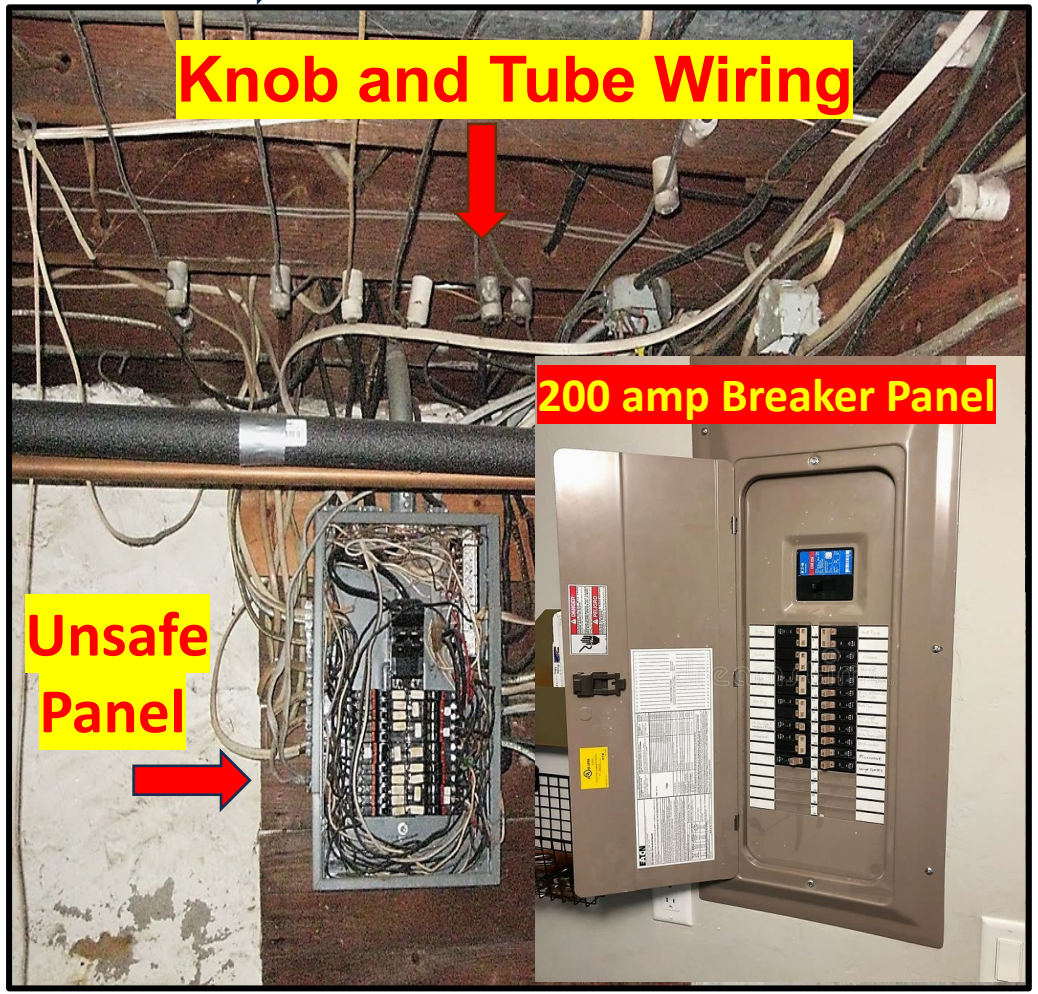


UPDATE: On Jan. 1, 2025, the EPA will complete it's phaseout of R-410A Refrigerant for home HVAC systems. The new R-32 or R-454 Refrigerants must be used in all residential HVAC systems going forward. The new systems are predicted to be 10-30% more expensive.

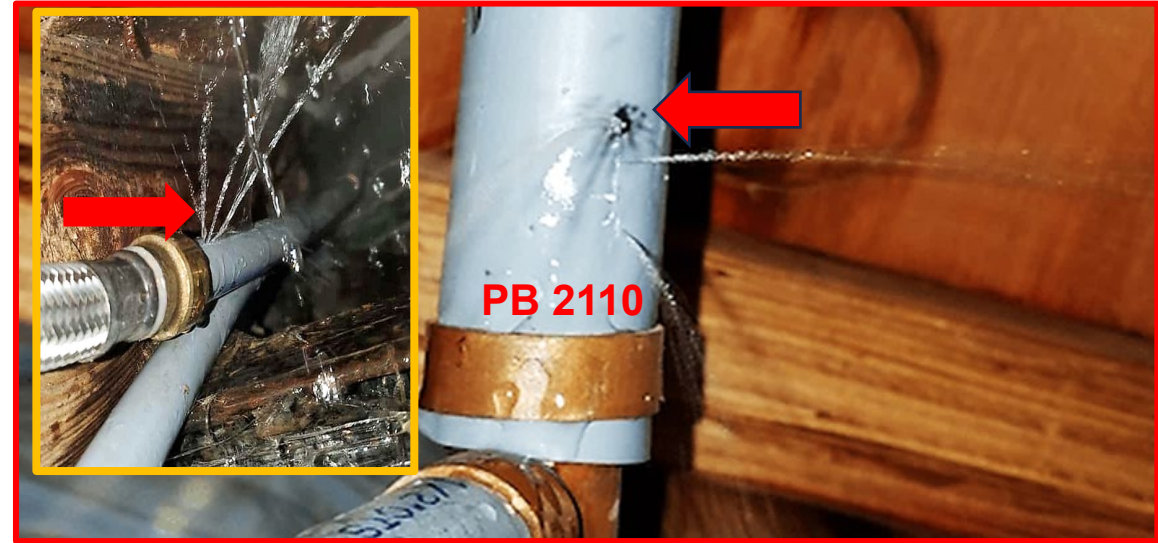
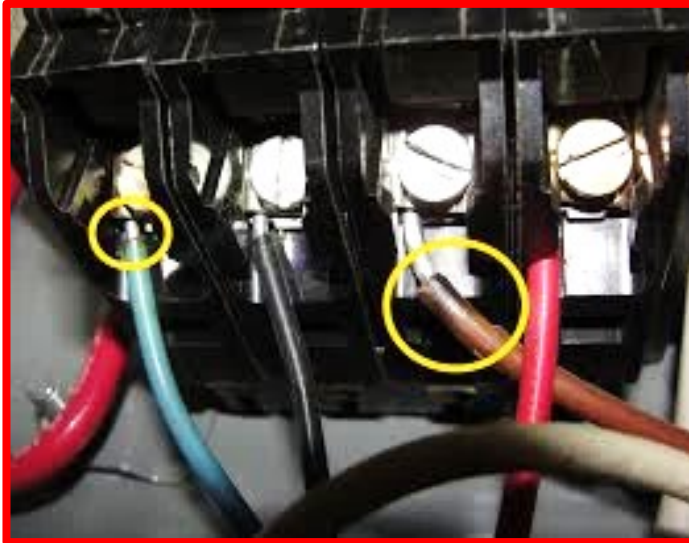
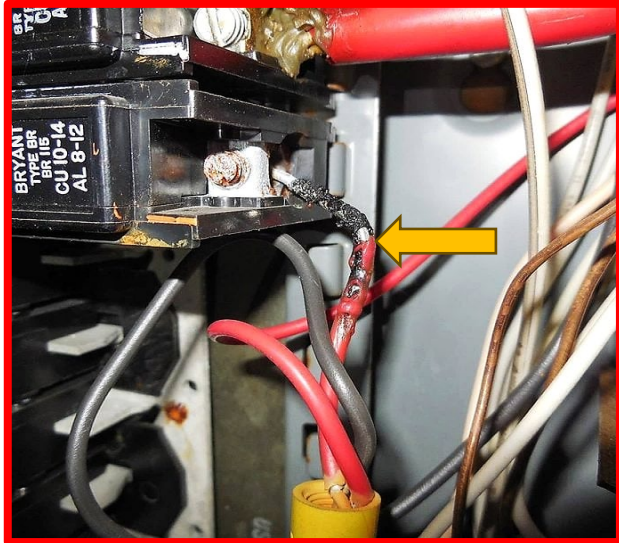
76 12. ELECTRICAL SYSTEM.
 77 a. Type of material used: Copper Aluminum Unknown
 78 b. Type of electrical panel(s): Breaker Fuse
 79 Location of electrical panel(s): _____
 80 Size of electrical panel(s) (total amps), if known: _____
 81 c. Are you aware of any problem with the electrical system? Yes No
 82  If "Yes", explain in detail: _____



AMY AMP Knows...Do You?



Potentially **DEFECTIVE** or **BANNED MATERIALS** to look for...



Aluminum Electrical Wiring

Polybutylene Plumbing



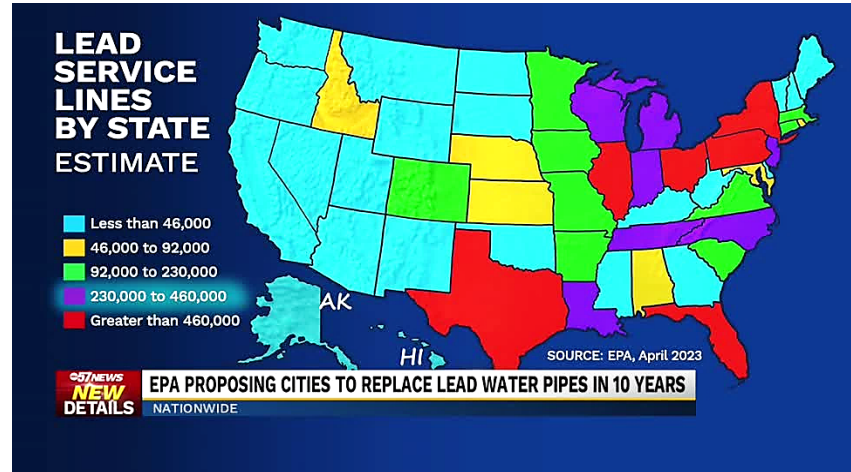
Homes with **aluminum wiring** built before 1972 are 55 times more likely to have a fire hazard than homes with copper wire.

It's not **"if"** poly pipe will leak but **"when"** it will leak! **TIP:** Add a leak detector/shut off device.

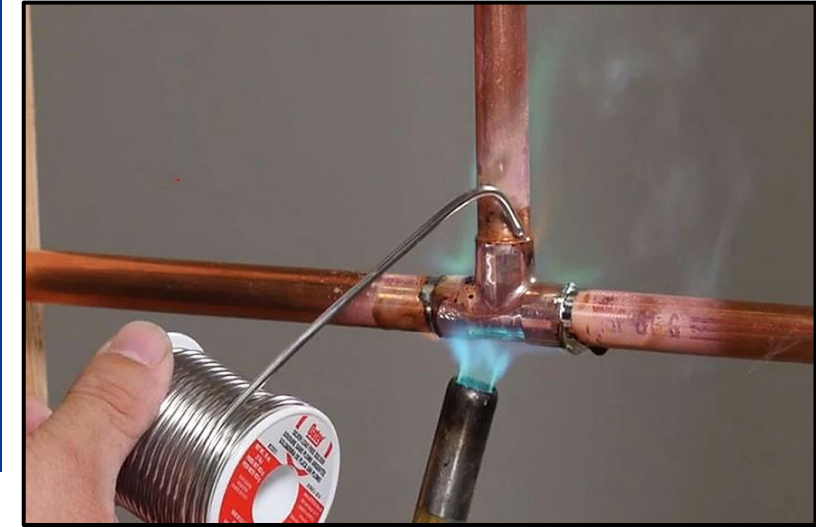
More Potentially **DEFECTIVE** or **BANNED** MATERIALS...



Lead/Lead-lined Water Pipes



UPDATE: The EPA will fund the replacement of 500,000 lead water lines by **9/30/2025** and has set limits on “forever chemicals” in drinking water which must be completed by **2029**.



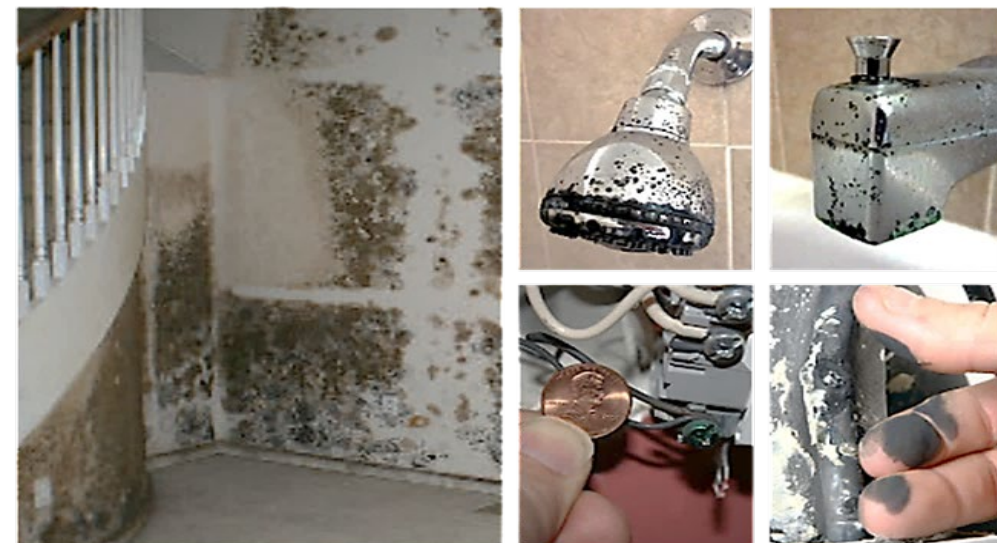
Lead-based Solder



Synthetic Stucco (EIFS)



How can you tell?



Chinese Drywall

Section 16 b: Any fire damage to the Property?



Approximately 358,500 residential fires are reported in the US annually

BE ADVISED: Many of these homes are purchased by “Property Flippers” who repair or replace fire-damaged items as necessary and quickly put the home on the market. Unfortunately, some flippers, FSBO’s, and even homeowners using an Agent, do not divulge their home was fire or water-damaged.

Things to look for if you suspect the home has been damaged by fire...

- **Smell:** Lingering smoke odors and musty smells from mold and/or water damage.
 - **Water damage:** Water can damage the home as much or even more than the fire itself. Look for fresh paint at floor level, especially in the basement.
 - **Warped floors and wood frames:** Rafters, joists, subflooring, and wood floors often warp when exposed to excessive amounts of water and should be inspected for structural integrity.
- NOTE:** If the load bearing walls are compromised, investment in the home is probably not worth it.
- **Plumbing damage:** The heat from the flames can damage PVC, ABS, PEX, POLY, and Copper pipes.
 - **Smoke/flame damage:** Smoke particles and dangerous chemical residues often linger within walls, floors, and HVAC system even after the cleanup or renovation process.

NOTE: If the home was built before 1980, it should be inspected for asbestos after a fire.

BEST ADVICE FOR YOUR CLIENTS...

If you observe any of these fire damage indicators or if the client has concerns the property may have fire damage, always encourage them to have a professional home inspection to confirm.



What is a Stigmatized Property?

The National Association of REALTORS® defines a stigmatized property as: *“A property that has been psychologically impacted by an event which occurred, or was suspected to have occurred, on the property, such event being one that has no physical impact of any kind”*.

Buyers may shun stigmatized properties for a variety of reasons that are unrelated to its physical condition or features.

63% of home Buyers say all stigmas should be revealed and women are 20 times more likely than men (**73% vs. 53%**) to want stigmatized property details revealed by the Seller or their Agent. Source: The Zebra, Jan. 2023.

Surprise...**1 in 3 Buyers would buy a home that is considered “Haunted”**.



Stigmatized Properties may include...

Murder or Suicide

Criminal Activity

Phenomena



Debt or Foreclosure

Public

Environmental

Are Sellers required to divulge Stigmatized Properties?

Kansas: Has no law requiring divulging stigmatized properties. However, the Kansas Association of Realtors recommends that **“any event”** be disclosed so that Sellers avoid a potential lawsuit.



Missouri: Statute 442.600 states that any **“psychologically impacting events that occurred on a property are not material facts”**. This includes property that was the site of a homicide, felony, or suicide.



A little bit of advice...

If you don't tell the Buyer about known stigmas, guess who will?





Megan Kanka
1987-1994

Megan's Law in Kansas and Missouri

Megan's Law is the name for a federal law (and informal name for subsequent state laws) in the United States requiring law enforcement authorities to make information available to the public regarding registered sex offenders.

These laws were created in response to the murder of Megan Kanka who was raped and murdered in July 1994, when she was 7 years old. Her killer lived across the street from her family home and unbeknownst to her parents, this neighbor had past convictions for sex offenses against two other little girls.

KANSAS: Any Kansas conviction that has been found to be sexually motivated on or after April 14, 1994, requires registration of the convicted individual and if the date of offense occurred on or after April 14, 1994, such registration becomes public record.

MISSOURI: Under Missouri law, any person who moves into Missouri from another state and is registered (or has ever registered) in that state or would be required to register under Missouri law if the offense had been committed in Missouri, must register as a sex offender.

Registered sex offender verification sites

Offender Search

Find registered sex offenders by a specific name and location

Interactive Map Search

Find registered sex offenders near a specific location

NOTE: You may pass along to your clients but...



Kansas Bureau of Investigation

1620 SW Tyler
Topeka, KS 66612
(785) 296-8200

<https://www.kbi.ks.gov/registeredoffender/>



Missouri State Highway Patrol

Division of Drug and Crime Control
P.O. Box 568
Jefferson City, Missouri 65102-0568
(573) 526-6155

<https://www.mshp.dps.missouri.gov/CJ38/searchRegistry.jsp>



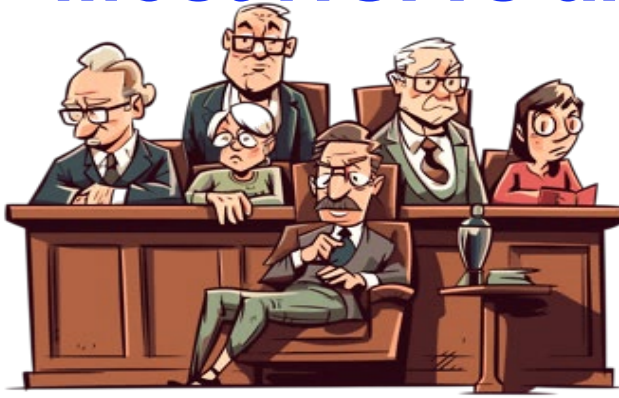
Section 14.



Things your clients need to know about HOA's...

- A Homeowners' Association (HOA) is a legally created organization that governs residential developments, townhouses, condominiums, and high rises.
- Once your clients purchase property that is governed by an HOA, they automatically become a member of the HOA and will be required to pay monthly/annual HOA dues/fees and they must abide by the HOA's Rules and Regulations that are currently in place.
- **GOOD ADVISE:** Encourage your client to contact the HOA's Board or the property management company (if they have one) to obtain a copy of the **HOA's Bylaws and Rules and Regulations** **before** they purchase the property so they will know what to expect before they buy/move in. Also, they should **ask if there are any major assessments planned within the next two years.** Finally, they should **ask for a copy of the HOA's current cash reserves** (as stipulated in its Bylaws) to confirm the HOA is financially solvent.

Most HOA's are managed by a Board of Directors.



Spoiler alert: The Board has teeth...



- The Board is responsible for enforcing the HOA's Rules and Regulations.
- HOA Boards are authorized to levy assessments to all members as needed for major repairs such as painting of buildings, reroofing, parking lot paving, pool repairs, utility repairs, etc.
- The Board has the authority to impose fines on members who violate HOA Rules and Regulations, do not pay their monthly HOA dues, or their share of an Assessment on time.
- Most Boards have the legal authority to place a lien on individual properties for failure to pay HOA dues, fines, or assessments and can enact foreclosure proceedings on a property.
- **Listing Tips:** Before listing a property in an HOA, check the HOA's Rules and Regulations to see if real estate signs are allowed. Failure to do so could result in your signs being removed or tossed into the trash and your seller being fined by the Board for violating an HOA rule. Also, verify if the HOA requires a **“Transfer Fee”** as part of the sale so your Seller (or Buyer) will know in advance how much will be deducted from their Net Sale Proceeds at closing.

This happened when an HOA was not managed properly.

At 1:19 a.m., on June 24, 2021, the center of the 12-story Champlain Towers South Condominiums in Surfside, FL. suddenly collapsed. **98 people died in the second worst building collapse in US history.**



Timeline of a tragedy within an HOA



October 2018: Structural engineering report:

A structural engineering report was sent to all owners within the HOA detailing “**major structural damage to the concrete slab below the pool deck**” and recommended “**extensive repairs be made in the immediate and near future.**”

January 23, 2019: Board and residents concerns:

The Condo Board emails the Condo Chief Building Official their concerns regarding the structure of the building because it was “*shaking*” while a nearby building was being constructed. **The official declined to investigate.**

September-October 2019: Board members resign:

Several board members resign because repairs in the 2018 structural engineering report have not been done by chief building official.

April 2021: Special assessment to all residents:

The Board sent a letter to all residents in the HOA stating “**The building’s condition has worsened significantly since the 2018 structural engineering inspection and a special assessment of \$15 million will be levied to all members of the HOA to pay for the recommended structural repairs**”.

NOTE: All of the information regarding the structural integrity of the Champlain Towers were **RED FLAGS** and are considered a “**public record**” because they were recorded in the Board’s meeting minutes. The minutes should have been available to anyone contemplating buying a unit in the Champlain Towers.

June, 24th: The building collapses.

QUESTION: If any of these Agents represented a Seller or a Buyer at the Champlain Towers Condos, did they violate the **Code of Ethics** if they withheld information about the building's condition?



ANSWER: NO !!!



Huh?

At the time of the tragedy, Florida law only required Realtor's and their clients to disclose known defects or problems on an **"individual unit"** and they were **not required** to disclose information about the condo's common areas, buildings, or related property, **only the unit**.

Fortunately, **Section 14b, c, and d.** of our Seller's Disclosure requires Kansas and Missouri Sellers and their Agents to divulge property-related issues for both the property that is being sold **and** the common areas associated with the property that an HOA oversees.

Once More... Always advise your client to obtain a copy of the HOA's documents such as the **Rules & Regulations, Bylaws, Declaration, Board Meeting Minutes, and Financial Reserves BEFORE THEY BUY.**

Bottom Line...Caveat Emptor



Important dates to remember..

IF THE HOME WAS BUILT...

1965 to 1972

1965 to today

1970 to 1982

1973 to 1997

1978 or prior

1986 or prior

1990 or prior

2002 to 2012

CHECK FOR THIS...

Aluminum Electrical Wiring

Synthetic Stucco (EIFS)

Urea-Formaldehyde Foam Insulation (UFFI)

Polybutylene Plumbing

Lead Based Paint...LBPA must be given to Buyer by Seller

Lead Water Pipes or Copper Pipes with Lead-based Solder

Asbestos products inside or outside of home

Chinese Drywall



REGARDLESS OF AGE: It is wise to professionally check for: **Radon**, **Mold**, **Lead**, **Termites**, **Carbon Monoxide**, **USTs** and if the property is in a **Designated Flood Zone**. Finally, check if the **Local Zoning** for the property is being considered for a change or has been rezoned.



Class Summary



The Mission of licensed **REALTORS®** is to become and remain informed on issues affecting real estate and appreciate their obligation to Clients, customers, the public, and each other, as knowledgeable professionals and willingly share the fruit of their experience and study with others.

When representing a Buyer, Seller, Landlord, Tenant, or other Client as an Agent, **REALTORS®** pledge themselves to protect and promote the interests of their Client. This obligation to the Client is primary, but it does not relieve **REALTORS®** of their obligation to treat all parties **Honestly, Ethically,** and with **Integrity.**

**STAY
INFORMED**

**The
Success
Triangle**

**ALWAYS BE
CAREFUL
AND ALERT**

**NEVER BE
UNETHICAL**



Put it all together and You, the Seller, and the Buyer all...

WIN !!!

Questions?



The graphic features the words "QUIZ TIME" in a stylized, 3D font. The letters are red with a yellow outline and are filled with a grid of yellow dots, resembling marquee lights. The text is set against a blue background with a radial pattern of lines emanating from the center, creating a sunburst effect. The words are arranged in two lines: "QUIZ" on top and "TIME" below it.

QUIZ
TIME

Don't forget your Certificate!



Certificate of Training and Completion

This certifies that
YOU

Has Successfully Completed the training course of
The Success Triangle

Course Facilitator DJ Pleskac at KCRAR Classroom

DJ Pleskac  Today

Signature Date