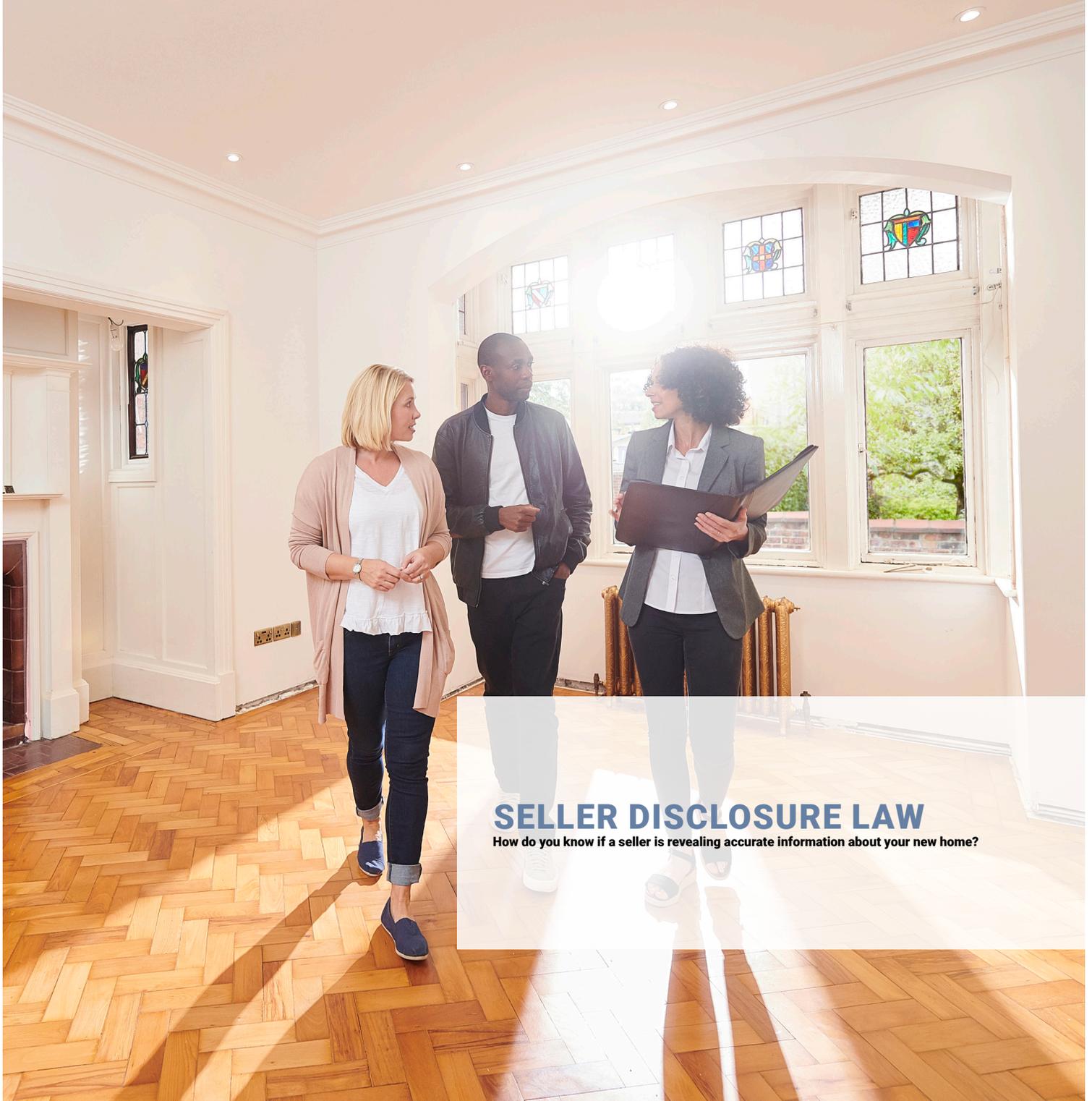




# SELLER DISCLOSURE LAW



## SELLER DISCLOSURE LAW

How do you know if a seller is revealing accurate information about your new home?

# SELLER DISCLOSURE LAW

How do you know if a seller is revealing accurate information about your new home?

Wisconsin's seller disclosure law is a consumer protection law designed to give homebuyers complete and accurate information about the condition of the properties they purchase.

## ARE YOU A BUYER? LEARN HOW SELLER DISCLOSURE LAW IMPACTS YOU

Under the law, the seller must provide you with a completed Real Estate Condition Report (RECR) within 10 days after acceptance of the offer to purchase. The seller must also provide you with an amendment to the report if the seller obtains information, prior to the acceptance of an offer, that changes a response on the original report.

If you receive the report before you write an offer to purchase the home, you can use the seller's information to help you decide whether to buy the home and whether the seller should be asked to make any repairs as part of the purchase contract.

If you submit an offer to purchase after receiving the report, you will not have the right to rescind, which is to nullify or undo the purchase contract.

If you do not receive a copy of the report until after you have submitted an offer to purchase, you may rescind the purchase contract in certain situations and within a set period of time.

## WHEN WILL SELLER DISCLOSURE LAW APPLY?

The law generally applies to sales of residential real estate, such as:

- Single family homes
- Condominiums
- Duplexes or apartment buildings with up to four units
- Summer cottages or cabins
- Farms
- Other properties that include living quarters.

This law may NOT apply if:

- The seller is an estate or a trust, and the personal representative or trustee has not lived in the property
- The property is new construction
- The transfer is a gift between immediate family members
- Other special circumstances apply

The seller disclosure law applies to sales listed with a firm and For Sale by Owner (FSBO) sales.





## HOW DOES THE LAW IMPACT REAL ESTATE?

The seller must complete a Real Estate Condition Report and answer the property condition questions as well as provide additional information based on personal knowledge of the property. A copy of the completed report must be given to prospective buyers no later than 10 days after a purchase contract is accepted.

## CAN A BUYER RESCIND THE PURCHASE CONTRACT?

If the seller gives the buyer a copy of the completed report before the buyer submits an offer to purchase, the buyer generally does not have any rights under this law to rescind, which is to nullify or undo the purchase contract. If the buyer does not receive a copy of the report until after the buyer has submitted an offer to purchase, the buyer may rescind the contract in the following situations:

- If the report reveals a significant property defect
- If the report is incomplete
- If the report incorrectly states that an item does not apply when the buyer can see that it does
- If no report is received by the buyer within 10 days after the contract becomes binding

If any of these situations occur, the buyer may rescind the purchase contract, and it will be as if there never was a contract. The buyer can rescind the contract within two business days after receiving the report, or within two business days after the 10-day deadline — by which time the seller was to have provided the report.

A buyer will also have the right to rescind the contract if, after submitting an offer to purchase, the buyer receives an amendment to the report that reveals a significant property defect not disclosed in the original report. The buyer can rescind within two business days after he or she receives the amendment.

## ADDITIONAL INFORMATION

This is a general overview of Wisconsin's seller disclosure law and not a comprehensive, full summary.

To find out more about Wisconsin's seller disclosure law, ask your real estate agent for a copy of the Real Estate Condition Report (RECR), which contains further explanations about the law and the report.

# SELLER DISCLOSURE LAW

© 2022 Wisconsin REALTORS® Association



4801 Forest Run Road  
Madison, Wisconsin 53704  
608-241-2047  
www.wra.org