

# FHA Lead Based Paint Disclosure

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## When is this disclosure needed?

The disclosure is needed on FHA purchases of properties built before 1978 (i.e. 1977 and prior).

## What does the document need to include?

An attachment/addendum to the purchase agreement is required that includes the following **eight** items:

### 1. Lead Warning Statement

The standard verbiage below should be a part of the contract to purchase.

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

### 2. Seller's Disclosure

The seller has a duty to disclose the presence of any known lead-based paint (LBP) and/or lead based paint hazards in the subject property, and if they know any of the following, they need to provide this information as well:

- the "why" for their determination that the LBP or LBP hazards exist;
- the location of the LBP or LBP hazards); and
- the condition of the painted surface.

The seller has a duty to disclose any already-known information about lead based paint in the home. Sellers are not responsible to actively seek out information by conducting: an inspection (a surface investigation to determine the presence of LBP); a risk assessment (an on-site investigation to determine and report existence, nature, severity, and location of LBP); or take active measures to reduce or eliminate human exposure to LBP hazards.

### 3. List of Records or Reports

The seller must also provide any records or reports about LBP or related hazards in the subject property and common areas (if applicable) as part of their duty to disclose.

#### 4. Affirmation of Receipt

This addendum should also include a statement by the borrower affirming receipt of the seller's disclosure and reports of known LBP and related hazards.

#### 5. Affirmation of Opportunity to Conduct an Evaluation

The addendum needs to include a statement by the borrower affirming that they have EITHER:

- a) Received the opportunity (a 10-day period) to conduct a risk assessment/inspection for the presence of LBP or related hazards; or
- b) They have waived this opportunity.

#### 6. Seller's Agent Disclosure

The addendum should also include a statement that the agent:

- a) Has informed the seller of the seller's duties (42 U.S.C. 4852d), and
- b) Is aware of their duty, as the seller's agent, to comply with these rules.

#### 7. Signed/Dated

This addendum should also be signed and by all buyers, sellers, and agents of both parties.

#### 8. Receipt of Informational Packet

The borrower must receive the pamphlet entitled *Protect Your Family From Lead In Your Home*. This is an EPA-approved information packet that identifies LBP hazards and explains how to control them.