

INSPECTION ISSUES IN INDIANA

STUDY SHEET

Summary

Transactions involving residential property require disclosure of material facts, such as structural and environmental issues. The seller, buyer, and licensee all have a role in property inspection and disclosures.

Top Takeaways

- Sellers of residential property are required to disclose any material defects they are aware of, but aren't required to investigate to find issues.
- Material defects may occur in a property's structure, systems, and environment.
- Environmental issues for residential property include pest infestations, asbestos, radon, mold, and lead-based paint.
- Underground storage tanks, groundwater contamination, and former waste disposal sites are potential environmental hazards that may occur on residential property.
- A licensee's role in property disclosure is to advise the seller to disclose honestly, to advise the buyer to have a professional inspection performed, and to respond honestly to any questions about material defects from the buyer.
- Properties in a special flood hazard area (SFHA) are eligible for flood insurance, which can be purchased through the National Flood Insurance Program.
- Environmental regulations such as the Clean Air Act, the Clean Water Act, Brownfields law, CERCLA, and SARA may affect a real estate transaction.

Take a look back at your notes for these items:

- Disclosure and inspection obligations for all parties in a residential transaction
- Common structural and system issues
- Signs of interior and exterior environmental issues
- Lead-based paint disclosure rules
- EPA, CERCLA, SARA, superfund sites, and brownfields
- Environmental site assessments vs. environmental impact statements
- Floodplains and flood insurance