

TENNESSEE RESIDENTIAL PROPERTY CONDITION EXEMPTION

1 Property Address: _____

2 Seller: _____

3 The Tennessee Residential Property Disclosure Act mandates that sellers of residential real estate with one to four dwelling units provide
4 buyers with one of the following: (1) a residential property disclosure statement (“Disclosure”) or (2) a residential property disclaimer
5 statement (allowed only if the buyer waives the required Disclosure). Certain property transfers may be exempt from this requirement
6 (refer to Tenn. Code Ann. § 66-5-209). Below is a summary of the rights and responsibilities of both buyers and sellers under the Act. The
7 full text of the Act is available at Tenn. Code Ann. § 66-5-201, et seq.

- 8 1. Sellers are required to disclose all known material defects and must complete the Disclosure form honestly and to the best of their
9 knowledge as of the date of Disclosure.
- 10 2. Sellers must provide the Disclosure form to buyers before a purchase agreement is accepted.
- 11 3. Sellers are obligated to notify buyers of any inaccuracies or significant changes in the property’s condition that occur after the
12 initial Disclosure, or confirm that no changes have occurred, at or before closing.
- 13 4. Sellers Sellers may provide buyers with a report or opinion from a professional inspector or expert(s), or relevant information from a
14 public agency, instead of answering some or all of the questions on the form (refer to Tenn. Code Ann. § 66-5-204).
- 15 5. Sellers are not required to perform a home inspection or any other investigation to complete the Disclosure form.
- 16 6. Sellers are not obligated to make repairs for items listed on the Disclosure form or identified in any inspection report unless agreed
17 upon in the purchase agreement.
- 18 7. Sellers making the first sale of a dwelling must disclose the amount of any impact fees or adequate facility taxes that were paid.
- 19 8. Sellers are not required to disclose if any occupant was HIV-positive, had a disease not transmissible by living in the home, or if the
20 property was the site of a homicide, suicide, felony, or any event that did not affect the physical structure of the property.
- 21 9. Sellers may provide an “as is” or “no representations or warranties” disclaimer instead of the Disclosure form only if the buyer waives
22 their right to the required disclosure. Otherwise, the sellers must complete the Disclosure form (see Tenn. Code Ann. § 66-5-202).
- 23 10. Sellers may be exempt from completing the Disclosure form in specific circumstances, such as public auctions, court orders, certain
24 foreclosures and bankruptcies, new construction with a written warranty, or if the owner has not lived on the property within the last three
25 years (see Tenn. Code Ann. § 66-5-209).
- 26 11. Buyers are encouraged to include inspection contingencies for items such as the home itself, wood infestation, well and water sources,
27 septic systems, lead-based paint, radon, mold, and any other concerns. The Disclosure form does not serve as a warranty of any kind by the
28 seller and is not a substitute for inspections or warranties buyers may wish to obtain.
- 29 12. Repairs for disclosed defects must be negotiated and specified in the Purchase and Sale Agreement; otherwise, the seller is not
30 obligated to make such repairs.
- 31 13. Buyers have the option to waive their right to receive the Disclosure form if the sellers provide a disclaimer statement with no
32 representations or warranties (see Tenn. Code Ann. § 66-5-202).
- 33 14. Buyers may have legal remedies for misrepresentations or nondisclosure in a Property Condition Disclosure statement, as outlined in
34 Tenn. Code Ann. § 66-5-208. Buyers are advised to consult with an attorney regarding these matters.
- 35 15. The representations made in the Disclosure form reflect the seller's knowledge and not that of any real estate licensee. However,
36 licensees are required to disclose any adverse facts of which they have actual knowledge or notice to all parties involved.
- 37 16. Under Tenn. Code Ann. § 47-18-104(b), sellers of newly constructed homes with septic systems are prohibited from knowingly
38 advertising or marketing a property as having more bedrooms than allowed by the subsurface sewage disposal system permit.
- 39 17. Sellers are required to disclose the presence of any known exterior injection wells, any known sinkholes, the results of any known
40 percolation test or soil absorption rate conducted on the property and determined or approved by the Department of Environment and
41 Conservation, and whether the property is located within a Planned Unit Development (PUD) as defined by Tenn. Code Ann. § 66-5-213.
42 If requested, sellers must provide buyers with a copy of the development’s restrictive covenants, homeowner bylaws, and master deed.
43 Additionally, sellers must disclose if they are aware that the residence has ever been relocated from one foundation to another.

44
45 The Buyers and Sellers participating in the current or prospective real estate transaction for the property identified above confirm that they
46 have been informed of their rights and responsibilities concerning Residential Property Disclosures. This information was provided by the
47 real estate licensee(s) before the completion or review of a Tennessee Residential Property Condition Disclosure, a Tennessee Residential
48 Property Condition Disclaimer Statement, or a Tennessee Residential Property Condition Exemption. Buyers and Sellers also acknowledge

49 that they were advised to consult an attorney for any legal questions regarding this information or before undertaking any legal actions.

50
51 According to the Tennessee Residential Property Disclosure Act, individuals transferring ownership of residential real estate are required to
52 disclose information about the property's condition. This completed form serves as the Seller's disclosure. The details provided are the Seller's
53 representation and not that of the real estate licensee or agent, if applicable. This disclosure does not constitute a warranty and should not
54 replace any professional inspections or warranties that the Buyer may choose to obtain.

55 **Buyers and Sellers should understand that any sales agreement entered into by the parties will take precedence over this form**
56 **regarding the terms of the sale, the property included in the transaction, and any obligations of the Seller to repair identified items**
57 **or the Buyer's responsibility to accept those items "as is."**

58 hereby notifies the Buyer that the property is being offered without a Residential Property Condition Disclosure Statement as permitted by
59 the Tennessee Residential Property Disclosure Act. This transfer is exempt under Tenn. Code Ann. § 66-5-209 for the following reason(s):

- 60 This transfer is made in accordance with a court order, including but not limited to those issued for the administration of an estate,
61 actions under a writ of execution, sales through foreclosure, transfers by a bankruptcy trustee, transfers resulting from eminent
62 domain, or transfers ordered by a decree of specific performance.
- 63 This transfer is made to a beneficiary of a deed of trust by a trustor or their successor in interest who is in default. It also includes
64 transfers by a trustee under a deed of trust following a foreclosure sale, or transfers by a beneficiary of a deed of trust who has
65 obtained the property through a foreclosure sale or by accepting a deed in lieu of foreclosure.
- 66 This transfer is carried out by a fiduciary as part of the administration of a decedent's estate, guardianship, conservatorship, or trust.
- 67 This transfer involves one or more co-owners transferring their interest exclusively to another co-owner or co-owners. This
68 provision applies specifically to situations where the property is held as a tenancy by the entirety, joint tenancy, or tenancy in
69 common, and the transfer occurs among the co-owners within these ownership arrangements.
- 70 This transfer is conducted due to the record owner's failure to fulfill obligations for federal, state, or local tax payments.
- 71 This transfer is made between spouses as a result of a divorce decree or a property settlement agreement.
- 72 This transfer is made solely to a spouse or to one or more individuals in the direct line of descent of one or more transferors.
- 73 This transfer is to or from a governmental entity, public agency, or quasi-public housing authority.
- 74 This transfer involves the first sale of a dwelling, provided that the builder supplies a written warranty.
- 75 This transfer is of property sold through a public auction.
- 76 This transfer is of property where the owner has not lived on the premises at any time during the three (3) years leading up to the
77 transfer date.
- 78 This transfer is from a debtor in a Chapter 7 or Chapter 13 bankruptcy to a creditor or a third party via a deed in lieu of
79 foreclosure or a quitclaim deed.

80
81 In accordance with Tenn. Code Ann. § 66-5-212, Sellers must provide written disclosure of the following: the presence of any known
82 exterior injection well on the property, whether they are aware that any single-family residence on the property has been relocated from
83 one foundation to another, any known percolation tests or soil absorption rates conducted on the property and accepted by the Tennessee
84 Department of Environment and Conservation, including the results of such tests or rates, and the presence of any known sinkholes.
85 Additionally, as required by Tenn. Code Ann. § 66-5-213, Sellers must disclose in writing if the property is located within a Planned Unit
86 Development (PUD) and, upon request, provide the buyers with a copy of the development's restrictive covenants, homeowner bylaws, and
87 master deed.

