

## DISCLOSURE STATEMENT FOR RESIDENTIAL REAL ESTATE (765 ILCS 77/35)

**NOTICE:** This report is intended to inform potential buyers about any significant defects in the residential property prior to entering into a purchase agreement. This document does not restrict the parties' ability to agree to sell the property in its current "as is" state. According to common law, sellers who disclose major defects may have an ongoing duty to keep potential buyers informed about the property's condition, even after this report has been provided. By completing this report, the seller assumes certain legal responsibilities; therefore, it is advisable for the seller to seek legal counsel before filling out this report.

Property Address: \_\_\_\_\_ City: \_\_\_\_\_

This document provides disclosure of specific conditions related to the residential property noted above, in accordance with the Residential Real Property Disclosure Act. This information is provided as of \_\_\_\_\_,

\_\_\_\_\_, 20. The information disclosed here should not be interpreted as guarantees or warranties by the seller or any individual acting on behalf of any party involved in this transaction.

For the purposes of this form, "aware" refers to possessing actual knowledge or notice without the need for any particular investigation or inquiry. Additionally, a "material defect" is defined as a condition that substantially diminishes the value of the residential property or poses a significant risk to the health or safety of future residents, unless the seller reasonably believes that the issue has been remedied.

The seller provides the following details, understanding that, while these statements are not considered guarantees, potential buyers might use this information to determine if and under what conditions they wish to buy the residential property.

The seller affirms that, to the best of their actual knowledge, the following responses have been truthfully marked as "yes" (true), "no" (false), or "not applicable" concerning the property for sale. If the seller answers "yes" or "not applicable" to any item other than number 1, an explanation must be provided in the additional information section of this form.

### YES NO N/A

1. \_\_\_\_\_ The seller has lived in the property at some point during the past 12 months..  
(If the answer is "no," please specify your role or describe your connection to the property.)

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2. \_\_\_\_\_ I presently maintain flood hazard insurance coverage for the property.  
\_\_\_\_\_ I have knowledge of flooding or repeated moisture issues in the crawl space or  
basement.

3. ☐ ☐ ☐ I am aware that the property lies within a designated floodplain area.
4. ☐ ☐ ☐ I know of significant defects in the basement or foundation, such as cracks or bulges.
5. ☐ ☐ ☐ I am informed of leaks or major defects in the roof, ceilings, or chimney.
6. ☐ ☐ ☐ I am aware of substantial defects in the walls, windows, doors, or flooring.
7. ☐ ☐ ☐ I have knowledge of important defects in the electrical system.
8. ☐ ☐ ☐ I am aware of significant defects in the plumbing system, including components like the water heater, sump pump, water treatment, sprinkler system, or swimming pool.
9. ☐ ☐ ☐ I am informed of material defects related to the well or well equipment.
10. ☐ ☐ ☐ I know of unsafe conditions concerning the drinking water supply.
11. ☐ ☐ ☐ I am aware of major defects in the heating, air conditioning, or ventilation systems.
12. ☐ ☐ ☐ I have knowledge of material defects affecting the fireplace or wood-burning stove.
13. ☐ ☐ ☐ I am aware of defects in the septic system, sanitary sewer, or other waste disposal systems.
14. ☐ ☐ ☐ I know of unsafe levels of radon present on the property.
15. ☐ ☐ ☐ I am aware of hazardous levels or unsafe conditions involving asbestos on the premises.
16. ☐ ☐ ☐ I am aware of hazardous levels or unsafe conditions involving lead-based paint, lead water pipes, lead plumbing components, or lead contamination in the soil on the property.
17. ☐ ☐ ☐ I have knowledge of issues related to mine subsidence, underground cavities, ground settlement, shifting, uplift, or other stability problems affecting the land.
18. ☐ ☐ ☐ I am informed of active infestations of termites or other wood-destroying insects.
19. ☐ ☐ ☐ I am aware of structural damage resulting from previous termite or wood-boring insect infestations.
20. ☐ ☐ ☐ I have knowledge of underground fuel storage tanks located on the premises.
21. ☐ ☐ ☐ I am aware of disputes regarding property boundaries or lot lines.
22. ☐ ☐ ☐ I have received notices about violations of local, state, or federal regulations concerning this property that have not yet been resolved.
23. ☐ ☐ ☐ I am aware that this property has been utilized for manufacturing methamphetamine as defined under Section 10 of the Methamphetamine Control and Community Protection Act.

**Note:** These disclosures are meant to address only the specific residential property itself, including any limited common elements assigned for the exclusive use of the unit, and do not apply to the shared or common areas of the condominium.

**Note:** These disclosures are meant to represent the present state of the property and do not cover past issues that the seller reasonably believes have been resolved.

If any items above are marked as “not applicable” or “yes,” please provide an explanation here or attach additional pages if needed: \_\_\_\_\_

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Check here if additional pages are used: \_\_\_\_

The seller affirms that this report has been completed by them and that the information included is based on the seller's actual knowledge or notice, without conducting any particular investigation or inquiry. The seller also grants permission for any party representing a principal in this transaction to share a copy of this report and disclose its contents to any individual involved in or considering the sale of the property. THE SELLER UNDERSTANDS THAT THEY MUST DELIVER THIS DISCLOSURE REPORT TO THE PROSPECTIVE BUYER BEFORE THE CONTRACT IS SIGNED AND THAT, UNDER SECTION 30 OF THE RESIDENTIAL REAL PROPERTY DISCLOSURE ACT, THEY HAVE AN ONGOING DUTY TO UPDATE THIS DISCLOSURE PRIOR TO THE CLOSING.

Seller: \_\_\_\_\_ Date: \_\_\_\_\_

Seller: \_\_\_\_\_ Date: \_\_\_\_\_

THE POTENTIAL PURCHASER UNDERSTANDS THAT THE PARTIES INVOLVED MIGHT DECIDE TO ENTER INTO A CONTRACT FOR THE SALE OF THE PROPERTY WITH FULL KNOWLEDGE OF ANY SIGNIFICANT DEFECTS REVEALED IN THIS REPORT ("AS IS"). THIS DISCLOSURE DOES NOT REPLACE ANY INSPECTIONS OR GUARANTEES THAT EITHER THE POTENTIAL BUYER OR SELLER MAY WANT TO REQUEST OR ARRANGE. **THE SELLER'S LACK OF KNOWLEDGE ABOUT A SPECIFIC ISSUE OR CONDITION DOES NOT ENSURE THAT SUCH AN ISSUE IS ABSENT. THE POTENTIAL BUYER UNDERSTANDS THAT THEY HAVE THE OPTION TO ARRANGE FOR AN INSPECTION OF THE PROPERTY CONDUCTED BY A CERTIFIED EXPERT.**

Prospective Buyer: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

Prospective Buyer: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

ATTACHED TO THIS DOCUMENT IS A COPY OF SECTIONS 5 THROUGH 65 OF ARTICLE 2 OF THE RESIDENTIAL REAL PROPERTY DISCLOSURE ACT, WHICH PROSPECTIVE BUYERS ARE ENCOURAGED TO REVIEW.

## **RESIDENTIAL PROPERTY DISCLOSURE LAW**

### **ARTICLE 2: DISCLOSURES**

#### **765 ILCS 77/5 et seq.**

**Section 5. Definitions:** For the purposes of this Act, unless stated otherwise by the context, the terms used in this section shall carry the meanings assigned here:

**“Residential real property”** refers to real estate containing between one and four residential dwelling units; units within residential cooperatives; or condominium units, including the limited common areas designated for the exclusive use of those units that are considered an essential part of the condominium. This term also encompasses manufactured homes as defined in subdivision (53) of Section 9-102 of the Uniform Commercial Code, which are classified as real property under the Conveyance and Encumbrance of Manufactured Homes as Real Property and Severance Act.

**“Seller”** refers to any individual or organization who:

- (1) holds the position of beneficiary in an Illinois land trust; or
- (2) possesses a legal or equitable interest in residential real estate, such as:
  - i. a property owner;
  - ii. a trust beneficiary;
  - iii. a beneficiary through a will, inheritance without a will, or a transfer-on-death document; or
  - iv. a contract buyer or tenant under a ground lease.

The term “Seller” excludes any party involved in a transfer that qualifies for exemption under Section 15, as well as any beneficiary who (i) has never lived in the residential property and (ii) has never been responsible for managing the residential property.

**“Prospective buyer”** refers to any individual or organization engaged in negotiations or making an offer to acquire ownership or leasehold interest in residential real estate through a transfer for value governed by this Act.

**“Contract”** means a written agreement between the seller and the prospective buyer that, once any agreed-upon conditions are met, obligates the prospective buyer to complete the transfer of the residential property.

**Section 10. Scope of Application.** Except as outlined in Section 15, this Act governs any transfer involving sale, exchange, installment land sale contract, assignment of beneficial interest, lease with an option to buy, ground lease, or assignment of a ground lease related to residential real estate.

**Section 15. Seller Exemptions.** Sellers involved in the following types of transfers are exempt from this Act, regardless of whether a disclosure report is provided:

(1) Transfers ordered by a court, including but not limited to those directed by a probate court during estate administration, transfers between spouses due to divorce or legal separation rulings, possession orders, bankruptcy trustee transfers, eminent domain acquisitions, and transfers following a decree for specific performance.

(2) Transfers from a mortgagor to a mortgagee through a deed in lieu of foreclosure or consent judgment, transfers by judicial deed to a successful bidder or assignee following a foreclosure sale, transfers by collateral assignment of a beneficial interest in a land trust, or transfers by a mortgagee or their successor holding the secured interest, including beneficiaries under a deed in trust who obtained the property via deed in lieu of foreclosure, consent judgment, or judicial deed after foreclosure sale.

(3) Transfers carried out by a fiduciary during the administration of a deceased person’s estate, guardianship, conservatorship, or trust. For the purposes of this clause, “trust” includes an Illinois

land trust.

(4) Transfers between co-owners to one or more other co-owners.

(5) Transfers from a deceased individual according to a will, inheritance without a will, or a transfer-on-death document.

(6) Transfers made to a spouse or to individuals who are direct blood relatives of one or more of the sellers.

(7) Transfers made by an entity that acquired title to residential property from a seller to assist with the seller's relocation, provided that the entity supplies all potential buyers with a copy of the disclosure report originally given to it by the seller.

(8) Transfers involving any government agency, whether as the transferor or transferee.

(9) Transfers of newly built residential properties that have never been occupied, excluding any renovations or rehabilitations of existing residential properties.

**Section 20. Requirements for Disclosure Report.** The seller of residential real estate must fill out all sections of the disclosure report outlined in Section 35. The seller is required to provide the prospective buyer with the written disclosure report mandated by this Act prior to the execution of a contract.

**Section 25. Seller's Responsibility.**

(a) The seller shall not be held responsible for any mistake, incorrect information, or failure to disclose information provided under this Act if (i) the seller was unaware of the mistake, inaccuracy, or omission, (ii) the mistake, inaccuracy, or omission resulted from a reasonable belief that a significant defect or other issue had been resolved, or (iii) the mistake, inaccuracy, or omission originated from information supplied by a public agency, licensed engineer, land surveyor, structural pest control professional, or contractor concerning matters within their professional expertise, and the seller had no knowledge of the error, inaccuracy, or omission.

(b) The seller must reveal any significant defects that they are truly aware of.

(c) This Act does not require the seller to conduct any particular investigation or inquiry to fill out the disclosure statement.

**Section 30. Supplemental Disclosure Report.** If, before the closing, a seller discovers any mistake, inaccuracy, or omission in a previously provided disclosure report or supplement after it has been given to the prospective buyer, the seller must provide an updated written supplement to the prior disclosure report, delivered by any means described in Section 50.

**Section 35. Disclosure report form** [omitted]

**Section 40. Significant Defect.**

(a) If the seller discloses a material defect in the Residential Real Property Disclosure Report—specifically any “yes” answer except for items 1 and 2—and the report is provided to the prospective buyer after all parties have executed a contract in violation of Section 20, the prospective buyer has the right, within 5 business days of receiving the report, to cancel the contract or agreement and receive a full refund of any earnest money or down payments made, without any liability or claims from the seller.

(b) If the seller reveals a material defect in an addendum to this disclosure report, the prospective buyer does not have the right to cancel the agreement unless:

(i) the material defect arises from an error, inaccuracy, or omission that the seller actually knew about when the previous disclosure was completed and signed; (ii) the material defect cannot be repaired before closing; or (iii) the material defect can be repaired before closing, but within 5 business days after receiving the supplemental disclosure, the seller refuses or fails to provide written agreement to repair the defect.

(c) The right to cancel the contract ends once the residential property has been conveyed. For the purposes of this Act, termination is considered effective when written notice of termination is sent to at least one seller using any delivery method described in Section 50, at the contact information given by any seller or listed in the contract or agreement. Nothing in subsections (a) or (b) limits the remedies available under the contract or Section 55.

**Section 45. Additional Legal Provisions.** This Act does not restrict remedies or alter any disclosure duties established by other laws or common law principles designed to prevent fraud, misrepresentation, or deception in the transaction.

**Section 50. Method of Delivering Disclosure Report.** The Residential Real Property Disclosure Report required by this Act must be delivered by:

(1) Delivering the report personally or via fax, email, or another electronic method to the prospective buyer at the contact details they have provided or as stated in the contract or agreement;

(2) Sending the report through the United States Postal Service, using prepaid first-class mail, addressed to the prospective buyer at the address given by the buyer or listed in the contract or agreement; or

(3) Sending the report using an alternative delivery service such as Federal Express or UPS, with delivery fees prepaid, addressed to the prospective buyer at the address supplied by the prospective buyer or noted in the contract or agreement.

For the purposes of this Act, delivering the report to one prospective buyer is considered delivery to all prospective buyers. If an authorized representative of a prospective buyer receives the report, it counts as delivery to all prospective buyers. Delivery is deemed effective once the prospective buyer receives the report. Receipt can be confirmed on the report itself, within the property transfer agreement, or by any other reliable method.

**Section 55. Breaches and Compensation.** If the seller fails or refuses to provide the disclosure report before the transfer of the residential property, the prospective buyer has the right to cancel the contract. A seller who intentionally violates any requirement of this Act, or who knowingly provides false information in the Residential Real Property Disclosure Report, shall be responsible for actual damages and court costs, and the court may also award reasonable attorney's fees to the prevailing party.

**Section 60. Time Limit for Legal Action.** Any legal claim for a violation of this Act must be filed within one year from the earliest of the following dates: the date the buyer takes possession, the date of occupancy, or the date the deed or other transfer document is recorded.

**Section 65. Disclosure Report Form; Contents; Copy of Act.** Sections 5 through 65 of Article 2 of this Act, except for Section 35, must be printed on or incorporated into the Residential Real Property Disclosure Report form.

Date provided to Buyer: \_\_\_\_\_

Seller: \_\_\_\_\_