

LEAD-BASED PAINT DISCLOSURE ADDENDUM

SELLER HAS RECORDS OR REPORTS PERTAINING TO LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

Property Case #: _____
Property Address: _____

Lead Warning Statement

Every Purchaser of any interest in residential real property on which a residential dwelling was built before 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 property is required to provide the Purchaser with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended before purchase.

Seller Acknowledgement and Contingency Period

Reports and records are available for downloading and review from the property listing web site, and copies have been provided to the Purchaser. Purchaser has a contingency period to withdraw from the contract that expires fifteen (15) calendar days from the date the contract is accepted by HUD. Because the Purchaser had access to lead records and reports before submission of its bid, the Purchaser may withdraw from the purchase contract by providing written notice of withdrawal on or before the contingency expiration date (as evidenced by the postmark on the Purchaser's notice of withdrawal), but is not entitled to a refund of earnest money, *unless* the Purchaser obtained an independent lead-based paint inspection performed by a Certified Lead-Based Paint Inspector or Risk Assessor and the Purchaser provides the HUD with a copy of the inspection report

The findings of the records or reports provided by the HUD are as follows:

- _____ No lead-based paint or lead-based paint hazards were found.
- _____ Lead-based paint and/or lead-based paint hazards were found. None of the lead-based paint was deteriorated.
- _____ Lead-based paint and/or lead-based paint hazards were found. Some of the lead-based paint was deteriorated and Seller has already completed the required

stabilization. The lead-based paint stabilization plan and the lead clearance report showing that acceptable levels were met are available for downloading from the property listing web site, and have been provided to the Purchaser as evidenced by the signature(s) below. No further stabilization is planned.

- _____ Lead-based paint and/or lead-based paint hazards were found. Some of the lead-based paint was deteriorated. Seller caused to be prepared a lead-based paint stabilization plan that is available for downloading from the property listing web site and has been provided to the Purchaser as evidenced by the signature(s) below.

Financing Type (Selling Broker to initial applicable item)

- _____ *No FHA Financing of pre-1978:* If the purchase of this property is not being financed with an FHA insured loan, the Seller will not complete any inspection, testing or clearance. The Purchaser has a contingency period to review reports provided by the Seller or to conduct independent investigation or assessment that expires fifteen (15) days from the date the contract is accepted by HUD.

- _____ *Any FHA Financing Except 203(k):* This property is being sold subject to FHA insured financing under a program other than a 203(k) Rehabilitation Mortgage and, as disclosed above by the seller, deteriorated lead-based paint was found. If the Seller has not already done so, the Seller agrees to stabilize the deteriorated lead-based paint up to \$4,000 and in accordance with the stabilization plan and Upon contract execution the HUD will procure a lead-based paint inspection and will deliver the inspection report to the Selling Broker by overnight delivery service along with a paint stabilization plan and cost estimate if deteriorated lead-based paint is found and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate. If deteriorated lead-based paint was identified in the Report, HUD will perform stabilization if the cost estimate is \$4000.00 or less. If the cost estimate is greater than \$4000.00, HUD at its sole discretion may: (1) cancel the sales contract, or (2) allow the purchaser to amend the contract financing to FHA 203k or conventional. In the event that HUD cancels the sale, the purchaser will be entitled to a 100% refund of earnest money.

If the cost estimate is \$4000.00 or less and the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to HUD of the intention to withdraw. Written notification must be postmarked by the latest of fifteen (15) calendar days from the date the contract is accepted by HUD or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser

does not exercise its option to withdraw from the sale contract, HUD will stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance by the close of the escrow period or any extensions thereof.

- _____ **FHA 203(k) Financing:** This property is being sold subject to a 203(k) Rehabilitation Mortgage and, as disclosed above by the seller, deteriorated lead-based paint was found and the Seller has not already completed stabilization and clearance. At closing the Purchaser shall receive a credit in an amount not to exceed \$4000.00, representing the Seller's contribution toward the cost of stabilization and clearance testing. The Credit shall appear on the FORM HUD-1 SETTLEMENT STATEMENT and shall be deposited in the 203(k) repair escrow account. If the actual cost of stabilization exceeds the credit provided or if the property fails a clearance examination, the Purchaser will be responsible for any additional costs.

Purchaser Acknowledgement (initial applicable items)

- _____ Purchaser has received the pamphlet *Protect Your Family from Lead In Your Home*.
- _____ Seller has provided, and Purchaser has received, copies of the records and reports available to the Seller. A list of lead-related records and reports is attached.
- _____ Purchaser has received a 15-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Selling Broker Acknowledgement (initial)

- _____ Selling Broker is aware of his/her responsibility to ensure compliance with 42 U.S.C. 4852d.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ (Purchaser) _____, 20__ (date)

_____ (Co-Purchaser) _____, 20__ (date)

_____ (Selling Broker) _____, 20__ (date)

_____ (Seller) _____, 20__ (date)

LEAD-BASED PAINT DISCLOSURE ADDENDUM

SELLER HAS NO RECORDS OR REPORTS PERTAINING TO LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

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Inspection Contingency

Seller has no records or reports pertaining to lead-based paint and/or lead-based paint hazards. The Purchaser has a contingency period that expires fifteen (15) calendar days from the date the contract is accepted by HUD, to conduct at the Purchaser's expense, an independent lead-based paint inspection, visual assessment for deteriorated paint, or risk assessment. The Purchaser may withdraw from the contract by providing written notice of withdrawal on or before the contingency expiration date (as evidenced by the postmark on the Purchaser's notice of withdrawal). The Purchaser will be entitled to a refund of earnest money only if the Purchaser obtains an independent lead-based paint inspection performed by a Certified Lead-Based Paint Inspector or Risk Assessor, and the Purchaser provides HUD with a copy of the inspection report.

Financing Type (Selling Broker to initial applicable clause)

_____ *No FHA Financing of Property Constructed Prior to 1978:* The purchase of this property is not being financed with an FHA insured loan. The Purchaser has an inspection contingency that expires 15 days from the date of the Purchaser's signature below. The property is being sold as is with respect to all conditions including, subject to the above contingency, the potential presence of lead or lead-based paint hazards.

_____ *Any FHA Insured Financing Except 203(k):* This property is being sold subject to FHA insured financing under any program other than a 203(k) Rehabilitation

Mortgage. Upon contract execution the HUD will procure a lead-based paint inspection and will deliver the inspection report to the Selling Broker by overnight delivery service along with a paint stabilization plan and cost estimate if deteriorated lead-based paint is found and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate.

If deteriorated lead-based paint was identified in the Report, HUD will perform stabilization if the cost estimate is \$4000.00 or less. If the cost estimate is greater than \$4000.00, HUD at its sole discretion may: (1) cancel the sales contract, or (2) allow the purchaser to amend the contract financing to FHA 203k or conventional. In the event that HUD cancels the sale, the purchaser will be entitled to a 100% refund of earnest money.

If the cost estimate is \$4000.00 or less and the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to HUD of the intention to withdraw. Written notification must be postmarked by the latest of fifteen (15) calendar days from the date the contract is accepted by HUD or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, HUD will stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance by the close of the escrow period or any extensions thereof.

_____ **FHA 203(k) Financing:** This property is being sold subject to a 203(k) Rehabilitation Mortgage and, as disclosed above by the seller, deteriorated lead-based paint was found and the Seller has not already completed stabilization and clearance. At closing the Purchaser shall receive a credit in an amount not to exceed \$4000.00, representing the Seller's contribution toward the cost of stabilization and clearance testing. The Credit shall appear on the FORM HUD-1 SETTLEMENT STATEMENT and shall be deposited in the 203(k) repair escrow account. If the actual cost of stabilization exceeds the credit provided or if the property fails a clearance examination, the Purchaser will be responsible for any additional costs.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate. If the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to the Seller of the intention to withdraw. Written notification must be postmarked by the later of fifteen (15) calendar days from the date of the Purchaser's signature below, or two (2) business days following the date of the Purchaser's signature on the

supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, the Purchaser shall stabilize the deteriorated lead-based paint as part of its work plan for the property rehabilitation and shall obtain lead clearance before occupancy. Purchaser shall complete the 203(k) Rehabilitation Financing Lead Agreement form.

Purchaser Acknowledgement (initial)

____ Purchaser has received the pamphlet *Protect Your Family from Lead In Your Home*.

____ Purchaser has received a 15-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Selling Broker Acknowledgement (initial)

____ Selling Broker is aware of his/her responsibility to ensure compliance with 42 U.S.C. 4852d.

Certification of Accuracy

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_____ (Co-Purchaser) _____, 20__ (date)

_____ (Selling Broker) _____, 20__ (date)

_____ (Seller) _____, 20__ (date)