



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY FOR
HOUSING-FEDERAL HOUSING COMMISSIONER

Special Attention of:

All Homeownership Center Directors
All Real Estate Owned Directors
All Real Estate Owned Branch Chiefs
All Management and Marketing Contractors

Notice: H 2005- 14

Issued: July 1, 2005
Expires: July 31, 2006

Cross References: Housing Notice 03-19

Subject: Lead Disclosure Requirements and Addendum Format

In order to ensure that HUD's Management and Marketing (M&M) contractors and the brokers working with HUD in the sale of its single family properties constructed prior to 1978 are in full compliance with the requirements of the Lead Disclosure Rule (24 CFR part 35, subpart A), the following guidance is provided relative to the disclosure of known lead-based paint and lead-based paint hazards.

Lead Disclosure Rule Compliance Procedures for HUD-Owned Single Family Properties

HUD, its M&M contractors, and the selling brokers working with the Department in the sale of HUD-owned properties must fully comply with the requirements of the Lead Disclosure Rule (24 CFR part 35, subpart A) with respect to the sale of all properties constructed before 1978.

1. At Listing – With respect to each property constructed before 1978, the M&M contractor shall, based on knowledge and/or on the information contained in the lead related reports or records known to the M&M contractor:
 - a. Complete and sign the appropriate Lead-Based Paint Disclosure Addendum (Addendum) indicating that the seller does or does not have knowledge and/or reports and records related to lead-based paint or lead-based paint hazards in the subject property and post the signed Addendum on the property listing website at the time the property is listed. The electronic version of the signed Addendum, and any supplements, shall accurately reflect the information in the paper version of the ink-signed Addendum, and any supplements. The electronic version of the Addendum, and any supplements, shall be capable of being printed, saved, or otherwise reproduced in the future by the selling broker and the purchaser (if the purchaser is not represented by a selling broker). A copy of each Addendum is attached for your information.
 - b. Include in the Property Condition Report for each property constructed before 1978 all available lead information, including as attachments to the Addendum, full copies of all lead-based paint inspection reports, risk assessment reports and/or other records pertaining to lead-based paint and/or lead-based paint

hazards. The Property Condition Report and all attached reports shall be posted on the property listing website and listed on the Addendum.

- c. No later than two (2) business days after receipt, post on the property listing website all records or reports related to lead-based paint and/or lead-based paint hazards that are obtained by the M&M contractor subsequent to the initial property listing.
- d. Upon request of the selling broker or prospective purchaser, provide all available reports and records in paper format.

2. Before Bid Submission –The M&M contractor shall be required to:

- a. Provide the electronic disclosures to the selling broker (or prospective purchaser if he or she is not represented by a selling broker), pursuant to 15 USC 7001(c). Obtain the electronic consent (or electronic confirmation of consent) from the selling broker (or prospective purchaser if he or she is not represented by a broker), pursuant to 15 USC 7001(c). Direct the selling broker to download the Addendum and all available lead records and reports from the property website and deliver paper (or hard) copies of them to the potential purchaser for review. The purchaser’s signature line on the Addendum shall be left blank pending acceptance of the bid.
- b. Direct the selling broker to provide potential purchasers (or provide the purchaser if he or she is not represented by a selling broker) with a copy of the EPA-approved pamphlet “Protect Your Family From Lead In Your Home.” The pamphlet can be downloaded from the HUD website in English or Spanish, at the following address: www.hud.gov/offices/lead/. A black-and-white camera-ready copy of the pamphlet ready for printing can be obtained from the National Lead Information Clearinghouse by contacting 1-800-424-LEAD, or from the Internet at www.epa.gov/lead/nlicdocs.htm.
- c. Notify selling brokers (or the purchaser if he or she is not represented by a selling broker) that they can obtain additional information on the Lead Disclosure Rule from the National Lead Information Clearinghouse (sponsored by HUD, EPA and the Centers for Disease Control and Prevention) by contacting 1-800-424-LEAD, or from the Internet at www.epa.gov/lead/nlic.htm. Questions can be submitted by email and documents can be ordered at this site. Other information on the Lead Disclosure Rule is available from HUD’s website, www.hud.gov/offices/lead/.

3. Following Bid Acceptance – After the M&M contractor accepts a bid, the M&M contractor shall:

- a. Verify that the selling broker obtains the purchaser’s signature and date (or obtain the purchaser’s signature and date himself if purchaser is not represented by a selling broker) on the Addendum and returns the Addendum to the M&M

contractor along with the sales contract. The date of the purchaser's signature on the Addendum will be the commencement date of the 15-calendar day lead contingency period.

- b. Deliver to the selling broker (or the purchaser if he or she is not represented by a selling broker) by overnight delivery any and all additional lead reports or information on the subject property that become available and are not posted on the website for retrieval prior to bid submission. Such delivery shall include a supplemental Lead-Based Paint Disclosure Addendum (supplemental Addendum), acknowledging receipt of any additional lead related documents.
- c. Verify, if applicable, that the selling broker delivers the additional reports and information to the purchaser; obtains the purchaser's signature on the supplemental Addendum; and submits the supplemental Addendum to the M&M contractor.
- d. Complete the appropriate Addendum, entering "N/A" on the lines for selling broker's signature, in the case of a sale where a selling broker does not represent the purchaser. The M&M contractor shall sign the Addendum on behalf of the seller and deliver it to the purchaser along with full copies of all lead related records and reports and a copy of the EPA-approved pamphlet "Protect Your Family From Lead In Your Home."

If you have any questions regarding the implementation of these requirements, please contact Wanda Sampedro, Director, Asset Management and Disposition Division at (202) 708-1672.

Assistant Secretary for Housing -
Federal Housing Commissioner

Attachments

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 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 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 prior to purchase.

Seller Acknowledgement and Contingency Period

Seller has knowledge regarding lead-based paint and/or lead-based paint hazards. Records, reports and other information are available for downloading and review from the property listing website, 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 of the Purchaser’s signature below. Because the Purchaser had access to lead records, reports and other available information before submission of the 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 or risk assessment performed by a Certified Lead-Based Paint Inspector or Risk Assessor and the Purchaser provides the Seller with a copy of the inspection or risk assessment report.

The records or reports indicate that:

_____ 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 are available for downloading from the property listing website, 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 has caused a lead-based paint stabilization plan and cost estimate to be prepared. The lead-based paint stabilization plan and cost estimate are available for downloading from the property listing website, and have been provided to the Purchaser as evidenced by the signature(s) below.

Financing Type (Selling Broker to initial applicable item)

_____ No FHA Financing: If the purchase of this property is not being financed with an FHA-insured loan, the Seller will not complete any additional lead-based inspection, beyond that which has already been conducted, paint stabilization or clearance. The Purchaser has a contingency period, which expires 15 days from the date of the Purchaser's signature below, to review records and reports provided by the Seller and to conduct an independent inspection or risk assessment.

_____ Any FHA Financing, and no deteriorated lead-based paint was found.

_____ Any FHA Financing Except 203(k): This property is being sold with 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 procure a visual assessment and lead-based paint inspection and stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance before the settlement date 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. 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 applicable items)

_____ Purchaser has received the EPA-approved 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 lead-based paint inspection or risk assessment for the presence of lead-based paint and/or lead-based paint hazards.

Selling Broker Acknowledgements (initial)

_____ Selling Broker is aware of his/her responsibility to ensure compliance with the disclosure of information concerning lead upon the transfer of residential property in 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

Property Case #: _____
 Property Address: _____

Lead Warning Statement

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 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 prior to purchase.

Inspection Contingency

Seller has no knowledge and 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 of the Purchaser's signature below, to conduct at the Purchaser's expense, an independent lead-based paint inspection 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 or risk assessment performed by a Certified Lead-Based Paint Inspector or Risk Assessor, and the Purchaser provides the Seller with a copy of the inspection or risk assessment report.

Financing Type (Selling Broker to initial applicable clause)

_____ No FHA Financing: 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-based paint and/or lead-based paint hazards.

_____ Any FHA 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 Seller will procure a lead-based paint inspection and deliver the inspection report to the selling broker (or to Purchaser if he or she is not represented by a selling broker) by overnight

delivery service along with a paint stabilization plan (if deteriorated lead-based paint is found), cost estimate, and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan, cost estimate, and supplemental Lead-Based Paint Disclosure Addendum. 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 inspection report and the Purchaser does not exercise its option to withdraw from the sales contract, the Seller will stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance before the settlement date or any extensions thereof.

_____ FHA 203(k) Financing: This property is being sold subject to a 203(k) Rehabilitation Mortgage. Upon contract execution the Seller will procure a lead-based paint inspection and will deliver the inspection report to the selling broker (or to Purchaser if he or she is not represented by a selling broker) by overnight delivery service along with a paint stabilization plan (if deteriorated lead-based paint is found), cost estimate , and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan, cost estimate, and supplemental Lead-Based Paint Disclosure Addendum. 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 inspection 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 EPA-approved pamphlet "Protect Your Family From Lead In Your Home."

_____ Purchaser has received a 15-day opportunity to conduct a lead-based paint inspection or risk assessment 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 the disclosure of information concerning lead upon the transfer of residential property in 42 U.S.C. 2852d.

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)