

Questions and Answers on the SLIC-11: SELLER'S LISTING INFORMATION CHECKLIST

The Seller's Listing Information Checklist (SLIC-11) is a form to aid the seller and listing agent with information to list the property and to address any potential concerns at the listing stage. The following explanations address some of the most frequently asked questions regarding the Seller's Listing Information Checklist.

Q Is the SLIC-11 required by statute?

A The form is not required by statute but is helpful to the seller, buyer and agents. It was created in 1994 by the Risk Management Committee after agents expressed a need for such a form. It has recently been revised to reflect additional needs.

Q Is SLIC-11 a part of the Purchase Contract?

A The SLIC-11 is signed only by the seller and is not part of the Purchase Agreement or Listing Agreement. However, it does request information from the seller, such as a previous physical inspection report, and the seller acknowledges that the information in the form is true and correct to the best of his knowledge.

Q Does the SLIC-11 change the agent's obligation to make a competent, diligent visual inspection and make disclosures following thereafter?

A No. The agents are still required to make their visual inspection under Civil Code Section 2079, *et seq.*

Q Why does Section 1, "Title to Property," ask for information on whether title is held in a trust or if a married couple is separated?

A It is essential to know which parties are required to sign the Listing Agreement before it is valid. Therefore, an agent must determine how title is held and who all of the parties are who must sign. If there is a side agreement, such as a lease with an option to purchase, it is important to know this. Similarly, if parties are separated, it is necessary to obtain both parties' signatures on the Listing Agreement. This form will help avoid the situation that occasionally occurs when it is discovered during escrow that one of the sellers has not signed the Purchase Agreement and has never signed the Listing Agreement. In such a case, there may not be a valid Purchase Agreement or listing.

Q Why does Section 2, "Loans and Obligations," ask the listing agent to get information on the lenders?

A Frequently it is critical to know at the listing stage what the loan balance is, as well as whether a prepayment penalty exists, the loan is delinquent, late charges are due, or a foreclosure has commenced. It is also important to know whether there are any liens against the property, as this can create a problem if there are insufficient sale proceeds to pay off these liens.

Q What is the purpose of "Homeowner's Association"?

A It is best to obtain the name of the association, a contact person and address at this stage since this information will be necessary at the beginning of escrow. It is also critical to know whether there is any litigation affecting the property since this will need to be included in the Transfer Disclosure Statement (TDS-11), and advance time might be necessary to put together a sufficient disclosure on such litigation.

Q What obligations does the seller have regarding Section 4, "Tenant in Property"?

A It is the seller's obligation to evict the tenant, but it is important to know the status of the tenant in the property, such as whether there is a lease and when it expires. Also, tenants usually will cooperate in showing the property but if the seller indicates the tenant will not cooperate, the agent needs to know this so that this issue can be dealt with.

Q Why does Section 5, "Pest Control Inspection," ask whether the seller wants to limit the amount of corrective work they will pay for termite treatment?

A Frequently, sellers are surprised to learn how much it costs for corrective work. If a seller wants to place

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a limit on the amount he will pay, he should indicate this now so this can be anticipated when an offer comes in.

Q Section 6, "Reports," asks about previous reports from a physical inspection. Does the seller or agent need to turn these over to the buyer?

A Because a seller is required to disclose all facts which may materially affect the value or desirability of the property, it is prudent to disclose to the buyer previous physical inspection reports, geological reports and other inspections and evaluation reports, and the seller should begin to gather these reports so that copies can be made. Occasionally such reports are given to a buyer at the close of escrow when this does not comply with the requirement that such material information be given to a prospective buyer as soon as practicable under Civil Code Section 1102, *et seq.* Again, this information should be obtained from the seller so it can be provided to the buyer at the time of the Purchase Agreement.

Q Why does Section 7, "Square Footage," ask whether the seller agrees with the square footage as reported by the County Assessor?

A Occasionally the County Assessor reports information on square footage that is inaccurate or with which the seller may disagree. As agents, it is important to disclose the source of the square footage measurements and if the seller disagrees with the square footage measurement as provided by the county, or any other source.

Q Why does Section 8, "Special Showing Conditions," ask whether the seller owns any pets?

A Pets may pose a safety concern for an agent or prospective buyer visiting the property. This section is not limited to pets, but also to any circumstances that may cause an injury at the property. In those situations the seller should take reasonable measures to avoid this.

Q Why does the form ask whether the party needs an interpreter?

A Parties to a contract should understand the contract before they sign, and the best way to ensure this is to ask whether they need an interpreter before signing the agreement. This will avoid parties claiming they did not understand the contract when they signed it. ☞



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