

RISK MANAGEMENT

MISREPRESENTATION

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73-35-21 (1) (A)

87 to 90% of all lawsuits filed against real estate licensees are for misrepresentation

MISREPRESENTATION

Two forms of Misrepresentation

1. Material Facts
2. Predictions and Forecasts

Material Facts

1. Work done outside code
2. Previous water leaks
3. Property boundaries
4. Pet urine contamination
5. Land movement and settling
6. Poor inspections
7. Improper pest control work
8. Failure to investigate mold, fungus, etc.

Material Facts

Avoiding misrepresentations of material
fact

*****Let Other Professionals do Their Job**

Appraisers, surveyors, home inspectors,
lenders, attorneys

Predictions & Forecasts

- New roads, interchanges, widening
- New water and/or sewer lines
- New schools
- New shopping centers
- New industries

Predictions & Forecasts

Avoiding P&F Misrepresentation

*****Let Other Professionals do Their
Jobs**

MDOT, engineers, water & sewer depts.,
economic developers, govt. spokespeople

MISREPRESENTATION

BE THE SOURCE OF THE SOURCE,

NOT THE SOURCE!!!!!!