



# Real Estate Errors & Omissions

## *Claim Examples*

- ▶ As part of her representation services, a realtor prepared a mock closing statement for a client. This statement was meant as a guide for her clients to use to calculate the amount of cash needed to purchase a property in their price range. The statement contained errors, causing the buyer to save less than needed to close on the home. As a result, the sale did not go through at closing due to lack of funds. The buyer sued for misrepresentation.
- ▶ A minority couple was relocating and used a real estate agent who they discovered on the Internet. The clients flew into the area to take a look at homes and discovered that they were only being shown homes in areas predominately inhabited by minorities. When they asked if these were the only homes available that fit their criteria and price range, the realtor stated that these were the only properties available. Upset by this, the couple retained the services of another realtor. They discovered that there were many other properties available and sued the original realtor for discrimination.
- ▶ A couple purchased an existing property and then after closing, discovered that there was termite damage that had not been disclosed. After getting a large repair estimate, they sued the realtor for failing to disclose this information.
- ▶ A couple consulted a real estate broker to purchase a residence in which they could also run a day care business. The broker made inquiries and showed them a townhouse, which they eventually purchased. After closing, the couple was told by the townhouse association that they were forbidden to use of the property for a daycare business. The couple filed suit for negligence.
- ▶ A couple asked their realtor which school district the residence was located in. The real estate agent mistakenly told the couple the wrong school district. The couple purchased the property and discovered that their children were to attend a different/inferior school district. They sued this realtor for misrepresentation.