KNOW YOUR RIGHTS - CALIFORNIA AB-968
PROTECTING BUYERS OF FLIPPED HOMES

California's Assembly Bill 968 (AB-968), effective July 1, 2024, is a real estate disclosure law that requires sellers of single-family homes to provide detailed information on renovations if they owned the property for 18 months or less. Sellers must disclose all contractor work, provide contractor names and contact information, and share copies of relevant permits, or inform buyers how to obtain them. The goal is to enhance transparency for buyers, especially in "flipper" properties, and to promote accountability for renovations. However, The law impacts any owner of a single-family residence, not just professional real estate flippers, if they meet the 18-month ownership criteria.

WHO MUST COMPLY?

Sellers of single-family homes who:

- Bought the property, and
- Accept an offer to sell it within 18 months.

WHAT SELLERS MUST DISCLOSE:

WORK PERFORMED

Any room additions, structural modifications, alterations, or repairs performed by a contractor since the seller bought the home.

CONTRACTOR INFORMATION

The name of each licensed contractor and contact information (if provided) for those major works.

PERMITS

Copies of permits for the work, or the contact information of the contractor if the seller wasn't provided with the permits.

DISCLOSURE OBLIGATIONS

Sellers are required to provide disclosure to potential buyers.

LENDER REQUIREMENTS

Some lenders require evidence of compliance or plans for compliance before approving financing.

AVOID ESCROW DELAYS

As part of the process, escrow is required to collect the owner's affidavit, where this information will be included.

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The information presented is intended to provide general and summary information about recent laws and propositions enacted. It is not intended to be a legal interpretation or official guidance or relied upon for any purpose, but is instead a presentation of summary information. We strongly recommend consumers obtain guidance and advice from qualified professionals, including attorneys specializing in Real Property, Trusts and/or Title Insurance to get more detailed and current information regarding their specific situation.