

DID YOU KNOW...

Assembly Bill 968 will go into effect July 1, 2024

This bill will require additional disclosures from a seller of a single-family residential property who accepts an offer for the sale of that same single-family residential property within 18 months of the date that they acquired the title. For the single-family residential property, the seller will be required to disclose to the buyer specific information, including any room additions, structural modifications, other alterations, or repairs made to the property since the seller's acquisition of title to the property. This disclosure must include the name of the contractor involved and a copy of any related permits. If the seller collaborated with a third-party contractor and does not have the permits in their possession, the buyer can be directed to the third-party contractor for the permits.

How does this impact your title transaction with California Title Company? The good thing is that California Title Company has procedures already set in place to deal with any work of improvement that may have occurred recently upon the property. Our procedures that we have set in place allow us to manage working through any mechanic's liens that could arise due to a recent work of improvement done to the property and insure a buyer free and clear of any mechanic's liens.

You may ask, "What procedure does California Title Company have to manage a recent work of improvement?" We have implemented the procedure for obtaining an owner's affidavit from the seller that requires the seller to advise California Title Company if there has been any recent work of improvement done on the property being sold. With this information we can then manage the risks of the work of improvement. In the process, we may require proof of payment, lien of waivers, a signed mechanic's lien indemnity from the seller or even a holdback of funds until the mechanic lien period expires.

We anticipate a lot of questions will arise with the **new law requirement going into effect on July 1, 2024.** Rest assured, California Title Company is ready to handle your title transaction. With the existing procedures set in place at California Title Company, we can assist in minimizing the concerns of buyers due to the new disclosure requirements.

If you have a transaction involving a recent work of improvement, please reach out to your California Title Sales Representative for assistance.

Customer Service cs@caltitle.com | 844.544.2752

Los Angeles 100 N. First Street, Suite 404 | Burbank | 818.382.9889

Orange County 28202 Cabot Road, Suite 625 | Laguna Niguel | 949.582.8709

San Diego 2355 Northside Drive, Suite 310 | San Diego | 619.516.5227



WWW.CALTITLE.COM

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