



**ADDI SELLER NOTICE**  
**ADFA ARKANSAS DREAM DOWN-PAYMENT INITIATIVE (ADDI)**  
**HOME PROGRAM**



To: Owner/Seller of \_\_\_\_\_, \_\_\_\_\_, Arkansas

From: Arkansas Development Finance Authority

Re: Seller Notice of URA Rights and Inspection Provisions – ADFA ADDI Program

Date: \_\_\_\_\_

The purchaser(s) of your property at the above-indicated address, \_\_\_\_\_ & \_\_\_\_\_, has applied for assistance under the Arkansas Development Finance Authority’s (ADFA) *Arkansas Dream Down-payment Initiative* program also known as “ADDI.” ADDI provides eligible buyers with a second mortgage to help with down payment, closing costs, and ensuring their first mortgage is affordable.

ADDI is funded by the federal HOME Investment Partnerships Program (HOME) which ADFA receives from the US Department of Housing and Urban Development (HUD). As a result, the buyer(s)’ purchase is “federally assisted,” and we are required to provide you with this notice covering certain regulatory provisions.

**Uniform Relocation Act – Voluntary Sale:** Activities funded by HOME are covered under the Uniform Relocation Assistance and Real Property Acquisition Policies Act, commonly called “the Uniform Act or URA”. URA protects persons whose property is taken *involuntarily* or who are *forced* to move as a direct result of a federally funded project. Your sale of the property is a **voluntary** sale.

Because this is a **voluntary** sale negotiated between you and the buyer(s) and there is no threat of eminent domain or condemnation to take your property, this sale is not regulated by URA except for the following notifications which we must present to you:

- The buyer **does not** have power of eminent domain to take your property if they cannot reach an agreement through negotiation.
- The fair market value of the property has been estimated at \$\_\_\_\_\_. The purchase price the buyer has offered is \$\_\_\_\_\_. You have the authority to accept or reject this offer just as you would in a private transaction not being assisted with federal funding.
- As the seller, you are **not eligible** for relocation assistance under the URA because the proposed sale is voluntary.

**ADFA Property Standards Inspection:** Federal requirements for the HOME program require ADFA to inspect the property prior to approving ADDI assistance for the buyer(s) to ensure the home meets applicable state and local codes and certain minimum property standards drawn from HUD’s Uniform Physical Condition Standards (UPCS). The point of this inspection is to ensure the home is safe, decent, and sanitary and that there are no deficiencies that may endanger occupants or lead to further deterioration. ADFA uses contracted inspectors to complete the inspection. There is no cost to you as the seller. While driven by different federal requirements, the same inspection will include both the Property Standards Inspection and, when required, a Lead-Based Paint Visual Assessment as discussed in the next section.

If ADFA's inspector identifies deficiencies under ADFA's ADDI Property Standards, the unit will fail inspection. The inspector will provide a list of the deficiencies that must be corrected (which may be provided via your realtor). You will have the opportunity to make needed repairs, and ADFA will have the property reinspected. ADFA will pay for the first inspection and, if needed, up to two re-inspections. ***If you decline to make repairs required by ADFA or repairs are not sufficient, the property will be ineligible for ADDI assistance.***

### **Lead-Based Paint Visual Assessment:**

The use of lead-based paint in residential housing was banned in 1978. Lead is a neurotoxin. When ingested, usually through exposure to microscopic lead dust, it can cause serious and permanent neurological and physical injuries, particularly for young children.

As the seller, even in a "general" sale that is not federally assisted, you have a legal obligation to provide the buyer with notice of any lead-based paint or lead hazards known to you. And buyers, even when not federally assisted, have a right to conduct testing for lead-based paint and lead hazards. In practice, it is common for buyers to waive those rights.

***If the home was built prior to 1978***, ADFA is required by HUD to conduct a Lead-Based Paint Visual Assessment. ***This requirement is not waivable***, even if the buyer(s) otherwise waive their general rights to conduct a more extensive inspection that tests for the presence of lead paint.

A Visual Assessment ***does not*** include testing (e.g., sending paint sample for laboratory tests) and does not identify whether paint actually contains lead. Instead, a Visual Assessment identifies whether painted surfaces are ***deteriorated*** (e.g., the paint is cracking, peeling, chalking). Note, certain "de minimis" (that is, very minor) levels of deterioration do not result in a home failing the Visual Assessment. The de minimis thresholds are defined by surface area and are generally very small. For example, an area of deteriorated paint bigger than a playing card on a windowsill may be enough to fail the Visual Assessment.

Unlike concerns identified in the Property Standards inspection, once a property has failed the Visual Assessment, ADFA policy ***does not*** allow for reinspection following paint repairs. ***If there are deteriorated paint surfaces identified by the Visual Assessment, the property will fail inspection and be ineligible for ADDI assistance.***

In short, sellers should ensure that all painted surfaces are in good shape *prior to* ADFA's inspection. If you are repairing any painted surfaces, avoid prohibited practices (such as using a heat gun or mechanical sander to remove old paint) and use "safe work practices" that limit the risk of creating and spreading lead dust. Information on the particular prohibited and required work practices is available in the EPA's *Lead-Safe Certified Guide to Renovate Right* (EPA-740-K-10-001) at the following link:

<https://www.epa.gov/sites/default/files/documents/renovaterightbrochure.pdf>.

For more lead paint resources, you can also visit <http://www.epa.gov/getleadsafe>.

If you have any questions or require additional information, please contact ADFA via 501-682-5900 or [LENDER.QUESTIONS@ARKANSAS.GOV](mailto:LENDER.QUESTIONS@ARKANSAS.GOV).

**Acknowledgements & Certifications:** I/we, the undersigned, am/are the owner of the above-identified property. I/we certify that I/we have received and understood the above information. I/we further certify that:

*Initials*    **Receipt of Notice** – *Must check and initial only one of the next two items below.*

\_\_\_\_\_  This Notice was received **prior** to executing a purchase agreement with the buyer(s)

**OR**

\_\_\_\_\_  While this Notice was received **after** executing a purchase agreement with the buyer(s), I/we do not wish to terminate the agreement.

**Certification of Owner-Occupancy or Vacancy** – *Must check and initial only one of the next two items below.* Note that if the property is not owner-occupied or was occupied by tenants within 90 days of its listing, it is not eligible for the ADDI program unless the buyer is the current tenant.

\_\_\_\_\_  As of listing the property for sale, I/we occupied the property as my/our primary place of residence.

**OR**

\_\_\_\_\_  As of listing the property for sale, the property was vacant and had not been occupied by tenants for at least 90 days prior.

**Incorporation into Purchase Agreement** – *Must check and initial this item.*

\_\_\_\_\_  This Notice is hereby made part of the purchase agreement and that buyer(s) will be free to cancel the purchase agreement without penalty if the property fails either the ADFA Property Standards inspection or any Lead Based Paint Visual Assessment.

Signature:	Printed Name:	Date:
Signature:	Printed Name:	Date: