

## **-Home Warranty or Waiver**

### **Home Warranties are in the Best Interest of both Seller & Buyer.**

1. A Home Warranty is a relatively inexpensive way to ensure that Buyer will have some peace of mind knowing that if anything goes wrong after Close of Escrow, costs for covered repairs may be drastically reduced with Home Warranty coverage.
2. Often a seller will purchase the Home Warranty as a way to mitigate any accusation of not producing a home free of defect. It is now required by state law that New Home Builders provide one and is a good idea for anyone selling an existing home.
  1. There are limitations to coverage [be sure to go over Home Warranty Brochure with your clients].
  2. When you discuss Home Warranty coverage, you may want to suggest that client consider choosing to have additional coverage added for additional cost.

### **RPA Paragraph 7.D.10 deals with Home Warranty. [Check appropriate boxes.]**

(10)  Buyer  Seller shall pay for the cost, not to exceed \$ \_\_\_\_\_, of a standard (or upgraded) one-year home warranty plan, issued by

\_\_\_\_\_, with the following optional coverages:  
 Air Conditioner  Pool/Spa  Other: \_\_\_\_\_.

Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

**OR  Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.**

1. Always over-estimate the cost for a Home Warranty as it states: "not to exceed."
2. Recommend putting "Seller's Choice" for Home Warranty company. This will make it easier for Seller to accept and most Home Warranty companies are equally good.