



Legal Information Lines - Frequently Asked Question: **Sharing of Home Inspection Reports**

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Q: Are listing agents allowed to share home inspection reports in future transactions?

A: While Nevada law does not explicitly require the actual home inspection reports to be shared in future deals like our neighbors California do, our statutes certainly require the seller who now has the knowledge gained from those reports to disclose these now known material defects to new buyers (*Seller's Real Property Disclosure, NRS 113.130 and 113.140*). Because home inspection reports are typically lengthy and detailed, a best practice would be to provide the report in its entirety to future buyers so the seller does not miss anything that could come back to haunt them. **But** before doing so, best practices to ensure the report is not improperly shared include:

- (1) **Always check with your client before sharing!** Whatever the client wishes, be it OK'ing or limiting the shareability, get it in writing from the client.
- (2) Check the report for any notations or language that limit sharing. If it does, **obtain written permission from the inspection company and buyer(s)**.
- (3) If the report includes any personal identifying information of the parties, request a clean or redacted copy from the inspection company or client. Risk reduction tip! Do not take on the redacting yourself, because if you miss something you are opening yourself and your brokerage to potential liability.

It's important that even if the inspection report *does not* include a limitation on sharing, that does not mean you are free and clear! Buyers can assert that they paid for the report and so it belongs to them. Inspection companies can assert widespread dissemination of the report without their knowledge creates unauthorized liability from another buyer who relies on the report. Further, it is our understanding that in these inspection report instances the Real Estate Division has found violations of sharing information that the client did not wish to be shared (*NAC 645.605(6) absolute fidelity to client*) and/or if the agent recommended his/her buyer use the information in a former buyer inspection report as a substitute as the current buyer's inspection.

Liability alert! Never suggest future buyers bypass their contractual due diligence rights and rely on previously performed home inspection reports. A smart buyer will hire their own inspector to verify any information identified in prior reports. If a prospective buyer chooses to waive their due diligence and rely on prior inspections, a best practice would be to have the client indicate in writing their voluntary decision to do so, and to also reach out to the previous inspection company for any additional authorizations and/or hold harmless forms they may require.

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