

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1372

AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 25-34.1-10-12.5 (*CURRENT VERSION*) IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:
Sec. 12.5. (a) An individual licensee affiliated with a principal broker represents only the client with which the licensee is working in an in-house agency relationship. A client represented by an individual licensee affiliated with a principal broker is represented only by that licensee to the exclusion of all other licensees. A principal or managing broker does not represent any party in such transactions unless the principal or managing broker has an agency relationship to personally represent a client.

(b) A licensee who personally represents both the seller and buyer or both the landlord and tenant in a real estate transaction is a limited agent and is required to comply with the provisions of this chapter governing limited agents.

(c) A licensee representing a client in an in-house agency relationship owes the client duties and obligations set forth in this chapter and shall not disclose material or confidential information obtained from the client to other licensees, except to the principal or managing broker for the purpose of seeking advice or assistance for the client's benefit.

(d) A principal broker, managing broker, and any affiliated licensee shall take reasonable and necessary care to protect any material or

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confidential information disclosed by a client to the client's in-house agent.

(e) In all in-house agency relationships, a principal broker, managing broker, and an individual licensee possess only actual knowledge and information. There is no imputation of agency, knowledge, or information among or between clients, the principal broker, the managing broker, and licensees. **Information contained in records of prior transactions maintained by the brokerage or agency concerning any existing or previous adverse material facts or risks with respect to real property may not be imputed to a broker or affiliated licensee unless the broker or affiliated licensee had actual knowledge of any adverse material facts or risks with respect to the real property. A person may not bring a cause of action against a broker or licensee for failure to disclose adverse material facts or risks if the cause of action is based on imputed knowledge of the adverse material facts or risks.**

SECTION 2. IC 25-34.1-10-12.5 (*DELAYED VERSION*), AS AMENDED BY P.L.127-2012, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12.5. (a) An individual licensee affiliated with a managing broker represents only the client with which the licensee is working in an in-house agency relationship. A client represented by an individual licensee affiliated with a managing broker is represented only by that licensee to the exclusion of all other licensees. A managing broker does not represent any party in such transactions unless the managing broker has an agency relationship to personally represent a client.

(b) A licensee who personally represents both the seller and buyer or both the landlord and tenant in a real estate transaction is a limited agent and is required to comply with the provisions of this chapter governing limited agents.

(c) A licensee representing a client in an in-house agency relationship owes the client duties and obligations set forth in this chapter and shall not disclose material or confidential information obtained from the client to other licensees, except to the managing broker for the purpose of seeking advice or assistance for the client's benefit.

(d) A managing broker and any affiliated licensee shall take reasonable and necessary care to protect any material or confidential information disclosed by a client to the client's in-house agent.

(e) In all in-house agency relationships, a managing broker and an individual licensee possess only actual knowledge and information. There is no imputation of agency, knowledge, or information among or

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between clients, the managing broker, and licensees. **Information contained in records of prior transactions maintained by the brokerage or agency concerning any existing or previous adverse material facts or risks with respect to real property may not be imputed to a broker or affiliated licensee unless the broker or affiliated licensee had actual knowledge of any adverse material facts or risks with respect to the real property. A person may not bring a cause of action against a broker or licensee for failure to disclose adverse material facts or risks if the cause of action is based on imputed knowledge of the adverse material facts or risks.**

SECTION 3. IC 32-21-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) An owner must complete and sign a disclosure form and submit the form to a prospective buyer before an offer for the sale of the residential real estate is accepted.

(b) An appraiser retained to appraise the residential real estate for which the disclosure form has been prepared shall be given a copy of the form upon request. This subsection applies only to appraisals made for the buyer or an entity from which the buyer is seeking financing.

(c) Before closing, an accepted offer is not enforceable against the buyer until the owner and the prospective buyer have signed the disclosure form. After closing, the failure of the owner to deliver a disclosure statement form to the buyer does not by itself invalidate a real estate transaction. **A buyer may not invalidate a real estate transaction or a contract to purchase real estate due to the buyer's failure to sign a seller's disclosure form that has been received or acknowledged by the buyer.**

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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