





*I Mina'trentai Ocho Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
328-38 (COR)	V. Anthony Ada Christopher M. Dueñas Joe S. San Agustin Tina Rose Muña-Barnes	AN ACT TO <i>ADD</i> A NEW CHAPTER 105, DIVISION 3, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE "SELLER DISCLOSURE STATEMENT" TO THE REAL ESTATE [DEALERS] LAW.	5/28/26 2:11 p.m.						

***I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN***  
**2026 (SECOND) Regular Session**

**Bill No. 328-38 ( COR )**

Introduced by:

V. Anthony Ada   
Christopher M. Dueñas   
Joe S. San Agustin   
Tina Rose Muña Barnes 

**AN ACT TO *ADD* A NEW CHAPTER 105, DIVISION 3,  
TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO  
THE CREATION OF THE “SELLER DISCLOSURE  
STATEMENT” TO THE REAL ESTATE [DEALERS]  
LAW.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that, unlike the fifty US states, Guam lacks laws that require sellers of real property to provide Seller Disclosure Statements. These statements require sellers to disclose known material facts affecting the condition or value of residential property. As such, prospective buyers *may* be unaware of structural, plumbing, electrical, water, infestation, environmental, and legal issues that could result in significant costs to the buyer.

Seller disclosure statements are important legal documents that ensure transparency by requiring property owners to disclose known defects, repairs, and material facts about a home. They protect buyers from costly surprises and shield honest sellers from future lawsuits for misrepresentation.

The importance of these statements spans several key areas:

**(a) Informed Buyer Decision-Making**

1 (1) **Risk Assessment:** They reveal hidden or historical issues (e.g.,  
2 structural problems, water damage, roof leaks, or past pest infestations)  
3 that might not be obvious during a casual walkthrough.

4 (2) **Offer Adjustment:** Buyers use this knowledge to gauge a fair price  
5 or negotiate repairs or credits before finalizing a purchase agreement.

#### 6 (b) **Legal Protection for Sellers**

7 (1) **Liability Cap:** When sellers accurately disclose what they know,  
8 they limit their exposure to post-sale lawsuits.

9 (2) **Managing Expectations:** Because it is a formal document, buyers  
10 cannot easily claim they were "tricked" about issues explicitly listed in  
11 the statement.

#### 12 (c) **Contractual Contingencies**

13 (1) **Rescission Rights:** In many jurisdictions, receiving a seller  
14 disclosure statement provides a designated timeframe (often 3 to 5  
15 days) during which the buyer can review the document and legally back  
16 out of the contract with their earnest money returned if they are  
17 unsatisfied with the property's condition.

18 (2) **Breach of Contract & Fraud Protections:** While seller disclosure  
19 statements provide critical notice to the buyer, they are generally *not*  
20 written as seller warranties.

#### 21 (d) **Legal Compliance and Avoiding Penalties**

22 (1) **Material Facts:** Laws mandate that sellers reveal all "material  
23 facts" that could impact the property's value or desirability.

24 (2) **Fines and Lawsuits:** Failing to disclose known issues can result in  
25 contract cancellations, lawsuits, and severe financial penalties,  
26 including being held liable for triple damages if negligence or fraud is  
27 proven.



- 1    § 105114. Cause of Action
- 2    § 105115. Non-Liability of Seller.
- 3    § 105116. Non-Liability of an Agent.
- 4    § 105117. Non-Liability of Escrow Agents.
- 5    § 105118. Failure to Comply.
- 6    § 105119. Alternate Dispute Resolution.
- 7    § 105120. Statute of Limitations.

8    **§ 105101. Definitions.**

9       As used in this Chapter.

10           (a) “Agent” means any licensed broker, associate broker or salesperson.

11           (b) “Agreement of Transfer” means a contract between a buyer and a  
12           seller that sets forth the terms of a residential real estate transfer.

13           (c) “Buyer” means any person receiving any estate or interest in real  
14           property in a transfer subject to this Chapter.

15           (d) “Commission” means the Guam Real Estate Commission.

16           (e) “Seller Disclosure Statement” means a written statement prepared  
17           by the seller or at the seller’s direction, and designed to fully and accurately  
18           disclose all material facts, past and present, relating to the residential real  
19           property being offered for sale that are within the knowledge or control of the  
20           seller, and can be observed from visible, accessible areas. The disclosure  
21           statement *shall not* be construed as a substitute for any expert inspection,  
22           professional advice, or warranty that the buyer *may* wish to obtain.

23           (f) “Final settlement” means the time at which the buyer and seller have  
24           signed and delivered all papers and consideration necessary to convey title to  
25           the property conveyed.

26           (g) “Material Defect” means a problem with a residential real property  
27           or any portion of it that would have a significant adverse impact on the value

1 of the property or that involves an unreasonable risk to people on the property.  
2 The fact that a structural element, system, or subsystem is near, at, or beyond  
3 the end of its normal useful life is not by itself a material defect.

4 (h) “Material Fact” means any fact, defect, or condition, past or present,  
5 which would be expected to measurably affect the value of the residential real  
6 property to a reasonable person.

7 (i) “Residential Real Property” means fee simple or leasehold real  
8 property, upon which there is located, at the time of transfer, one (1) to four  
9 (4) dwelling units, or a residential condominium, the primary use of which is  
10 occupancy as a residence.

11 (j) “Seller” means any person transferring any estate or interest in  
12 residential real property in a transfer subject to this Chapter.

13 (k) “Stigmatized Property” means real property that is or *may* be  
14 perceived to be psychologically impacted by an event that occurred, or is  
15 alleged or suspected to have occurred, on or at the property, whether or not  
16 the event resulted in any physical impact to the property, and that a reasonable  
17 person could consider a material fact in deciding whether to purchase the  
18 property. Stigmatizing events or conditions *may* include murder, suicide,  
19 serious criminal activity (including drug activity), proximity to registered sex  
20 offenders, or reputation of alleged paranormal activity.

21 **§ 105102. Seller Disclosure Statement.**

22 No seller *shall* sell residential property on Guam unless, prior to the sale, a  
23 seller disclosure statement is:

24 (a) delivered to the prospective buyer within ten (10) calendar days after  
25 the acceptance of a real estate purchase contract submitted by the buyer.

26 (b) acknowledged by the buyer on the real estate purchase contract, in  
27 any addendum attached to the contract, or in a separate document; and

1           (c) the buyer is afforded the opportunity to examine the disclosure  
2           statement.

3    **§ 105103. General Rules and Exceptions.**

4           (a) The term “residential real estate transfer,” as used in this section,  
5           shall mean a transfer of any interest in real property located within the  
6           Territory of Guam, other than a transfer pursuant to paragraph (b) of this  
7           Section, *infra*, that consists of not less than one (1), nor more than four (4)  
8           residential dwelling units including single-family homes, duplexes, triplexes,  
9           fourplexes, and individual residential condominium units, whether by sale,  
10           exchange, installment sales contract, lease with an option to purchase that has  
11           been exercised, or grant.

12           (b) The seller disclosure statement requirement shall not apply to a  
13           transfer:

14                   (1) Pursuant to court order, including, but not limited to, transfers  
15                   ordered by a probate court, transfers pursuant to a *writ of execution*  
16                   pursuant to Chapter 23, 7 GCA, transfers by a trustee in bankruptcy,  
17                   transfers by eminent domain and condemnation or transfers resulting  
18                   from a decree for specific performance;

19                   (2) To a mortgagee or by a mortgagor or successor in interest  
20                   who is in default; or beneficiary of a deed of trust by a trustee or  
21                   successor in interest who is in default; any foreclosure sale after default  
22                   secured by a mortgage; any sale under a power of sale or any  
23                   foreclosure sale under a decree of foreclosure; or any mortgage or  
24                   beneficiary of a deed of trust who has acquired the real property through  
25                   a sale conducted pursuant to a power of sale in a mortgage or deed of  
26                   trust or pursuant to a decree of foreclosure or by acquiring the real  
27                   property through a deed in lieu of foreclosure;

1                   (3) From one co-owner to one or more other co-owners;

2                   (4) To the spouse of any transferor, or to one or more persons  
3 related to any transferor by lineal consanguinity;

4                   (5) Between spouses resulting from a decree of dissolution of  
5 marriage or legal separation or from a property settlement agreement  
6 incidental to such decree;

7                   (6) By a corporation, partnership or other association to its  
8 shareholders, partners or other equity owners in connection with the  
9 liquidation of the corporation, partnership or other association;

10                  (7) Of a property to be converted by the buyer into a use other  
11 than residential use or to be demolished;

12                  (8) Of unimproved real property; and

13                  (9) Transfers of new residential construction that has not been  
14 previously occupied when:

15                    (A) the buyer has received an eighteen-month or longer  
16 written warranty covering such construction;

17                    (B) the dwelling has been inspected for compliance with  
18 the applicable building code or, if there is no applicable code, a  
19 nationally recognized model building code; and

20                    (C) a certificate of occupancy or certificate of code  
21 compliance has been issued by the appropriate government  
22 agency.

23                  Any seller of a unit in a condominium is obligated to make disclosures under  
24 this chapter only with respect to the seller's own unit and *is not* obligated to make  
25 any disclosure with respect to any common elements or common facilities.

26 **§ 105104. Disclosure of Material Facts.**

1        Any seller who intends to transfer any interest in residential real property shall  
2 disclose, in writing, to the buyer any material facts known to the seller by completing  
3 all applicable items in a seller disclosure statement. A signed and dated copy shall  
4 be delivered to the buyer prior to the signing of an agreement of transfer. The  
5 disclosure shall be completed, signed, and dated by the seller within ten (10)  
6 calendar days after the acceptance of a real estate purchase contract submitted by the  
7 buyer.

8        Except as provided by law, the seller may exclude the following facts from  
9 the seller disclosure statement:

10            (a) that an occupant of the residential real property was afflicted with  
11 acquired immune deficiency syndrome (AIDS) or AIDS related complex or  
12 had been tested for AIDS.

13 **§ 105105. Promulgation of the Seller Disclosure Statement.**

14        A seller disclosure statement that satisfies the requirements of this Chapter  
15 shall be promulgated by the Commission within ninety (90) days from the enactment  
16 of this Act. The approved seller disclosure statement shall be submitted to the Guam  
17 Legislature within thirty (30) days from its promulgation for adoption.  
18 Nothing in this Chapter shall preclude a seller from using a form that contains  
19 additional provisions requiring greater specificity or calling for the disclosure of the  
20 condition or existence of other features of the property, as long as the minimum  
21 requirements adopted by the Commission are included.

22        The seller is obligated to prepare the seller's disclosure statement in good faith  
23 and with due care and shall include honesty in the investigation, research, and  
24 preparation. However, the seller is under no obligation to engage the services of any  
25 person or organization in the investigation, research, or preparation of the seller  
26 disclosure statement. The failure to do so is not deemed an absence of good faith or  
27 due care.

1        A seller disclosure statement shall consist of a written statement prepared by  
2 the seller or at the seller’s direction that fully and accurately disclose all “material  
3 facts” relating to the residential real property being offered for sale that are:

- 4            (a) within the knowledge or control of the seller;
- 5            (b) and can be observed from visible, accessible areas; or
- 6            (c) are required to be disclosed under Public Law.

7        The disclosure statement shall not be construed as a substitute for any expert  
8 inspection, professional advice, or warranty that the buyer may wish to obtain.

9        **§ 105106. Information Unavailable to Seller.**

10        If, at the time disclosures are required, an item of information required to be  
11 disclosed is unknown or not available to the seller, the seller may make a disclosure  
12 based on the best information available.

13        **§105107. Disclosure Statement: Form and Content.**

14        The form of the seller disclosure statement promulgated by the Commission  
15 shall call for disclosures regarding all of the following conditions:

16            (a) Seller’s expertise in contracting, engineering, architecture or other  
17 areas related to the construction and conditions of the property and its  
18 improvements.

- 19            (b) Electrical Systems
- 20            (c) Plumbing Systems
- 21            (d) Sewer and Septic Systems
- 22            (e) Cooling Systems
- 23            (f) Structural Defects
- 24            (g) Land Conditions
- 25            (h) Environmental Issues
- 26            (i) Lead Based Paint
- 27            (j) Fungi and Mold Issues

1 (k) Water and Wastewater Issues

2 (l) Infestation Concerns

3 (m) Additions, improvements, and repairs made to the property

4 (n) Other equipment and appliances included in the sale

5 (o) Condominium and other homeowners' associations

6 (p) Legal issues affecting title or which may interfere with use and  
7 enjoyment of the property

8 (q) Stigmatized events related to the property

9 In addition to providing information about the condition of the property, the  
10 disclosure statement shall include a statement that:

11 (a) the buyer may wish to obtain professional advice and inspections  
12 for the real property;

13 (b) information contained in the disclosure is the representation of the  
14 seller, not the seller's agent; and

15 (c) notice of the buyer's right of rescission.

16 **§105108. Disclosure Statement: Delivery.**

17 No later than ten (10) calendar days after acceptance of a real estate purchase  
18 contract, the seller, either directly or through the seller's agent, shall provide the  
19 disclosure statement to the buyer or buyer's agent. The seller shall deliver the seller  
20 disclosure statement by personal delivery; first class mail; certified mail; return  
21 receipt requested; or electronic delivery via email.

22 For purposes of this chapter, delivery to one prospective buyer or buyer's  
23 agent is deemed delivery to all persons intending to take title as co-tenants, joint  
24 tenants, or as a tenant by the entireties. The buyer shall indicate receipt on the real  
25 estate purchase contract, or in any addendum attached to the contract, or in a separate  
26 document. Receipts for the disclosure statement shall be kept on file by the seller or  
27 seller's agent for a period of three years after the date the receipt was taken.

1 **§105109. Disclosure Statement: Buyer Examination.**

2 Upon receipt of the disclosure statement, the buyer shall have ten (10)  
3 calendar days to examine the disclosure statement and decide:

4 (a) whether to accept the disclosure statement, or;

5 (b) reject the disclosure statement and rescind the real estate purchase  
6 contract.

7 **§105110. Disclosure Statement: Buyer Rescission.**

8 If the buyer decides to rescind the real estate purchase contract, the buyer shall  
9 deliver written notification to the seller or seller's agent on or before the ten (10)  
10 calendar day period expires. Failure to deliver written notification within this period  
11 is deemed an acceptance of the disclosure statement.

12 When the buyer is provided a disclosure statement prepared and delivered in  
13 accordance with this chapter and decides to rescind the real estate purchase contract,  
14 the buyer shall not be entitled to any damages but shall be entitled to the immediate  
15 return of all earnest money deposits.

16 Notwithstanding anything to the contrary in this chapter, any action for  
17 rescission brought under this chapter shall commence prior to the recorded sale of  
18 the real property. The seller and buyer may agree in writing to extend the time period  
19 for the delivery or examination and rescission period.

20 **§105111. Disclosure Statement: Failure to Disclose Material Fact.**

21 Prior to closing the real estate contract, a buyer who receives a seller's  
22 disclosure statement that:

23 (a) fails to disclose a material fact, or;

24 (b) contains an inaccurate assertion that directly, substantially, and  
25 adversely affects the value of the residential real property, and who was not  
26 aware of the foregoing failure or inaccuracy, or;

1           (c) becomes inaccurate regarding a material fact as a result of an act,  
2           agreement, or occurrence after the disclosure statement is provided to the  
3           buyer and such information directly, substantially, and adversely affects the  
4           value of the residential property *may* rescind the purchase contract within ten  
5           (10) calendar days after the earlier of the following to occur:

6                     (1) the discovery of the failure or inaccuracy, or;

7                     (2) receipt of an amended disclosure statement correcting the  
8                     failure or inaccuracy.

9           However, if the sale of the residential real property has been recorded, then  
10          the buyer loses his right to rescind the purchase contract despite the seller's failure  
11          to comply with the requirements of this section. The buyer *may* pursue other  
12          remedies provided by law.

13          **§105112. Seller's Agent Duties.**

14          While the seller's agent is not required to prepare the disclosure statement, the  
15          agent does have the following duties and responsibilities:

16                   (a) When a seller's agent cannot obtain the disclosure statement and  
17                   does not have written assurances from the buyer that the disclosure statement  
18                   was received, the seller's agent *shall* notify the buyer in writing of the buyer's  
19                   rights regarding the disclosure statement and rights of rescission provided by  
20                   this chapter. However, the seller's agent *shall not* be required to prepare the  
21                   disclosure statement.

22                   (b) The seller's agent responsible for delivering the disclosure  
23                   statement, or the aforesaid written notification of the buyer's rights if  
24                   applicable, *shall* maintain a written record of the action taken by that agent to  
25                   effect compliance.

26                   (c) If the seller's agent is or becomes aware of any material fact(s)  
27                   inconsistent with or contradictory to the disclosure statement or the inspection

1 report of a third party provided by the seller, the seller's agent shall  
2 immediately disclose this fact(s) in writing to the seller, the buyer, and the  
3 buyer's agent.

4 **§105113. Affirmative Duty of Seller.**

5 The seller is not obligated to make any specific investigation or inquiry to  
6 complete the property disclosure statement. In completing the property disclosure  
7 statement, the seller shall not make any representations that the seller or the agent  
8 for the seller knows or has reason to know are false, deceptive, or misleading, and  
9 shall not fail to disclose a known material fact.

10 **§105114. Cause of Action.**

11 A buyer shall not have a cause of action under this chapter against the seller  
12 or any agent of the seller or buyer for:

13 (a) material facts or defects of the property disclosed to the buyer prior  
14 to the signing of an agreement of transfer;

15 (b) material facts or defects that develop after the signing of the  
16 agreement of transfer; or

17 (c) material facts or defects that occur after final settlement.

18 **§105115. Non-Liability of Seller.**

19 A seller is not liable for any error, inaccuracy or omission pursuant to this  
20 chapter if:

21 (a) the seller had no knowledge of the error, inaccuracy or omission;

22 (b) the error, inaccuracy or omission was based on a reasonable belief  
23 that a material defect or other matter not disclosed had been corrected; or

24 (c) the error, inaccuracy or omission was based on information provided  
25 by a public agency, home inspector, contractor or person registered or licensed  
26 about matters within the scope of the agency's jurisdiction or such other

1 person's occupation and the seller had no knowledge of the error, inaccuracy  
2 or omission.

3 The delivery of any information required to be disclosed to a prospective  
4 buyer by a public agency or other person providing information shall relieve the  
5 seller or the agent of the seller from any further duty with respect to that item of  
6 information.

7 The delivery of a report or opinion prepared by a home inspector, contractor  
8 or person registered or licensed dealing with matters within the scope of the person's  
9 registration, license or expertise shall be sufficient compliance with this chapter.

10 **§105116. Non-Liability of an Agent.**

11 An agent of a seller or a buyer shall not be liable for any violation of this  
12 chapter unless the agent had actual knowledge of a material fact or defect that was  
13 not disclosed to the buyer, or made a misrepresentation relating to a material fact or  
14 defect.

15 **§105117. Non-Liability of Escrow Agents.**

16 Any person or entity acting in the capacity of an escrow agent for the sale of  
17 residential real property subject to this chapter is not deemed the agent of the seller  
18 or buyer for purposes of the disclosure requirement unless the seller or buyer and the  
19 escrow agent agree in writing to establish such agency for that purpose.

20 **§105118. Failure to Comply.**

21 A residential real estate transfer subject to this chapter shall not be invalidated  
22 solely because of the failure of any person to comply with any provision of this  
23 chapter. However, any person who willfully or negligently fails to provide the  
24 seller's disclosure statement required by this chapter shall be liable to the buyer for  
25 actual damages, if any, suffered as a result of the seller's negligence.

26 In addition to the remedies allowed, a court may award the prevailing party  
27 attorney's fees, court costs, and other applicable fees. This section shall not be

1 construed to restrict or expand the authority of a court to impose punitive damages  
2 or apply other remedies under any other provision of law.

3 **§105119. Alternate Dispute Resolution.**

4 If the real estate purchase contract provides for alternative dispute resolution,  
5 then prior to filing an action in any court to enforce this chapter, a seller or buyer  
6 shall first submit the claim to alternative dispute resolution as required by the real  
7 estate purchase contract.

8 **§105120. Statute of Limitations.**

9 Any action brought under this chapter shall commence within one (1) year  
10 from the date the buyer received the disclosure statement; provided that if no  
11 disclosure statement was delivered to the buyer, then the action shall commence  
12 within two (2) years after the recorded sale of the residential real property.”