

DON'T GET CAUGHT BY THE HOME EQUITY SALES CONTRACT ACT

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OUTLINE

(1) INTRODUCTION - Hypothetical situation - real life

Class will deal with the nuts and bolts of the HESCA, how and why it evolved, how it works in everyday real estate transactions, and the pitfalls that await the unwary, buyer, investor, agent or attorney. Will have actual case examples and suggested recovery solutions

(2) HOME EQUITY SALES CONTRACT ACT

Civ Code 1695 et seq

1695 - Legislative findings

1695.1 - Who is impacted, when it applies

1695.2 - Contract requirements

1695.3 - Necessary terms

1695.4 - Right to Cancel

1695.5 - Notice of cancellation - continuation of right

1695.6 - Purchaser to provide contract - Prohibited acts - encumbrances

1695-7 - Seller's right to bring action - civil penalties

1695.8 - Punishment for violations - criminal penalties

1695.9 - Other statutes also apply

1695.10 - Provisions cannot be waived

1695.11 - unconstitutionality of one provision does not affect others.

1695.12 - Repurchase rights = presumed loan

1695.13 - Unconscionability

1695.14 - Right of rescision for violations - 2 years from closing

1695.15 - Liability for statements of representative

1695.16 - Cannot contractually limit liability

1695.17 - Representative statements: RE License and bonded

(4) REMEDIES FOR VIOLATORS

(A) Rescind voluntarily

(B) Fight it out - Superior Court

(C) Negotiate resolution

Buy-out

Sell Property - distribution issues

(5) CONCLUSION