



Will the Interstate Land Sales Act Affect My Proposed Development?

While you may think that you only need to comply with Wisconsin Statutes or other local review laws when developing a subdivision or condominium, you may be disappointed to hear that the federal government gets a piece of the action too. The Interstate Land Sales Full Disclosure Act of 1968 (ILSFDA) is geared towards developers of residential subdivisions, condominiums and time-shares and purports to protect the average consumer from predatory land sales practices. Compliance with the ILSFDA can be cumbersome if the condominium or subdivision development does not fall neatly into one of the exclusions or full exemptions. Fortunately, there are also partial exemptions which make compliance a little more manageable for most developments.

However, if your development doesn't fall into one of these exclusions or exemptions, you will need to comply with complicated registration, HUD determinations and time-consuming disclosure requirements. Determining whether you will fall within an exclusion, exemption or partial exemption, or a combination of these, is heavily fact specific. Facts to consider include number of units, whether units are being marketed with other developments under a common promotional plan, whether units are improved or will soon be improved, use of the units, identification of the buyer of the units, and identification of the target market for the units.

Reinhart's Real Estate Attorneys can analyze applicability of the ILSFDA for your development and make recommendations to help you ensure compliance with the applicable exemption.

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