

The paperwork...

Vee Real Estate Brokers are not attorneys, and are in no way providing legal advice. The information is for reference, so you may prepare, and is not necessarily comprehensive or all-inclusive.

Material fact: anything that could reasonably affect a person's decision to buy, sell, or lease.

Caveat emptor is not an excuse for not disclosing.

Listing agents have a responsibility of both observation *and* inquiry of potential material facts.

Previous pet occupancy is material fact (due to allergies or other sensitivity)

Hazardous materials (lead-based paint, asbestos)

Water damage

Structural defects

Buried tanks

Any potential soil contamination or environmental issues

Gravesites on property

Former Methamphetamine lab – must disclose

Polybutylene piping (1978-1995) in itself does NOT need to be disclosed, only if it is leaking (but may be safer to mention to cover being accused of something if it leaks later); installed from about '85-97 but could of course be in homes much later; has potential to leak; fittings mostly but not always; doesn't mean it has...yet.

“Compromised” Masonite (swollen, soggy) must be disclosed; not needed if in reasonable condition.

If synthetic stucco is present; provide copy of report as to what is found underneath.

Vacant land or pending construction of adjacent property - what is planned or proposed?

Death on property not material fact, not required but may want to disclose; buyers will find out.

*Remember, even though it is customary for buyer to select closing agent (their attorney) who then prepares the closing documents and subsequently provides some limited services to the seller, **the seller MUST confirm the closing agent is preparing the deed to be provided “no later than settlement”**. Failure to comply with this obligation is a material breach of the contract, which entitles the buyer to the remedies described in paragraph 23(b) of the Offer To Purchase and Contract (OTP), Form 2-T, which includes **cancellation of the contract**. Further, the seller may not be entitled to a delay in order to get it, since page 12 states delay is for a party which it was “not possible” to be prepared for closing- and the seller had the opportunity to be prepared in this case, they're just not. So be certain to have a deed prepared independently or get confirmation buyer's attorney/closing agent is preparing it.

Seller is responsible for researching and confirming no open permits on property, particularly because they may relate to a mechanic's lien for incomplete or unpaid work, which creates a cloud/encumbrance on title and may be a lengthy process to resolve, **which could result in defaulting on the contract, owing a sales commission, being sued by buyer, etc.**

Check for open permits: [Wake County Search Tool](#)

Wake county only keeps permit data for 7 years. If work is suspected to have been completed without, and you

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can't find the record, you need to request new permit to be safe if you do not want to have to disclose; otherwise property will have to be presented as "may be unpermitted work", which will leave it to the buyer to decide how to "value" the situation.

- \$15,000+ in work cost requires building permit
- \$30,000+ requires person acting as general contractor (homeowner) must have GC license

Further info (but personnel info may be different): In Raleigh, to determine if a permit has been finalized, call permitting department in the city of Raleigh, 919-996-2500 and press "I want to make an inspection" which will get the cashier. Ask to check the address for all permits.

Cashier- Adrian 919-996-2569

To get actual copy of the permit. 919-996-2239. Derrick Haynes, Derrick.haynes@Raleighnc.gov

TV mount is a "fixture" so it stays with the property unless specified in the contract; same for curtain rods (but not curtains); the best approach is to remove anything you want to keep, and make wall repairs, repaint, etc. as needed before putting the property on the market. Same for light fixtures. Removing items you want removes the potential for contract disputes, delays in closing or other issues.

Broker must be made aware of any special conditions which may be considered *material facts*. If in doubt, disclose!

Seller property information/documentation prep:

Gather details on your home's repairs and renovations, features and upgrades, noting the materials, finishes, project costs, and date completed, as well as age of any non-original components:

- Finished basement or upper floor/attic spaces
- Additional bath or powder rooms
- Accessory Dwelling Units (ADU's), Income producing spaces
- Roof repairs or replacement
- Insulation features
- Wastewater line examination (scope) report
- Energy-efficient windows
- Heating and air-conditioning system (HVAC), Electrical or plumbing systems
- Deck, patio, barbeque, irrigation system
- Garage door replacement
- Appliances & Technology (Smart Home, Energy-efficient)
- Flooring upgrades
- Recent cosmetic improvements; location of any touch-up paint cans

Need receipts for all claimed replacement, repair or updating of property; can only promote what can be substantiated. Buyers are suing sellers for misrepresentation- incidence has increased in part because of high due diligence fees.

*Remember, any financed mechanicals (hvac, gas conversion, roof, solar, instant hot water) or other renovations are often secured as liens on the property, which will become due-in-full at sale (acceleration clause), and reduce your net proceeds. Research these loans- not likely these are transferrable/assumable but you will want to confirm.

- Provide Property Tax information/statement (ad valorem)
- **IRS lien (release of these can take up to 90 days...)**
- Outstanding Mortgage Balance (First, Second), most recent statements; assumable?
- Business loans which may have used home as collateral (but were not recorded)

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- Anything where another party has an interest in the property
- Title Insurance policy (can be re-issued if less than 15 years old); issuer name is on closing statement
- Home Equity Lines of Credit (HELOC, revolving – these are not necessarily recorded instruments and accounts for these may have zero balance but have not been cancelled or closed)
- In bankruptcy? (does not show up in title search of public records, seller must disclose)
- HOA Declaration of Covenants, Conditions, and Restrictions (CC&Rs), particularly restrictive covenants
- Rules and Regulations
- Architectural Guidelines
- HOA financials, budgets, proposed capital projects, major deferred maintenance due, proposed or pending special assessments, current reserve amount
- Property Management Company and Manager Contact information
- Rental restrictions? Some municipalities are setting specifics, like Orange County/Chapel Hill (though just certain areas) <https://www.newsobserver.com/article270345397.html>
- Historic district restrictions
- Road maintenance agreement if private street
- Any other documents governing ownership
- Seller's feature list (what you like about property, area, neighbors, etc.)
- Bedrooms, Full and half baths
- Average utility costs; high/low range- electric, gas, municipal, other recurring expense like lawn, pool
- Reason for selling
- Personal property to be included in sale or available (refrigerator, washer/dryer, home theater, etc.)
- Property age
- Expected value – start to think about this, or do some online valuations; it will make the pricing conversation more effective
- Details on local areas of interest: distance/access to public transportation, or parks and greenways, shopping, key local services, fitness centers, hospitals, groceries, day care, dry cleaner and so on
- Traffic/driving conveniences
- Expected Square Footage/floorplan (must be accurate within 5% per TMLS requirements)
- Information on school districts and assignments, locations
- Relevant utility providers; waste pickup schedule; transferrable maintenance- security, lawn, pest, pool, etc.
- Location of water shutoffs and electrical panel
- Neighborhood nuisances (think shooting range, industrial activity, train tracks, school pickup/dropoff traffic)
- Airport noise

Required Documents for New Listing – Must be provided prior to *Marketing Date*

- Exclusive Right to Sell Listing Agreement
- Working with Real Estate Agents disclosure for Sellers
- Residential Property and Owners Association Disclosure Statement (RPOADS)
- Mineral and Gas Rights Disclosure
- Septic Permit (if property is on septic) from NCDEQ - permitted # of bedrooms must match what is represented; septic age and type (particularly if older property); maintenance history
- Professional Services Disclosure and Election for Sellers
- Inspection Reports (General Inspection, Termite, Radon, HVAC, etc.)
- Survey (fences can go into setbacks or easements since considered “removeable”); if there is an encroachment, the solution is an “encroachment agreement” between the parties
- Plat Map

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- Appraisal report(s) from prior financing
- Lead Based Paint Disclosure (if built before 1978)
- Municipal water or well? Well disclosure if there is a well; age and service records; last tested?
- Floodplain map (NC FRIS or FEMA)
 Flood plain/zone – [searchable NC Flood map](#) ; [FRIS North Carolina Flood Risk Information System](#) ; [Climate Risk Factor](#) ; [All About Elevation Certificates](#)
 Note: flood, fire, weather information is integrated into property information on Realtor.com, Redfin, Estatefy and Crexi platforms

*If property has had more than three claims in five-year period, many insurance carriers will not write on the property; the “CLUE” report provides information on claims history

- I-540 Disclosure if in one of the target zip codes-

27540	27603	27591
27526	27606	27527
27529	27539	27577
27610	27545	

NCDOT I-540 Hotline to check addresses 1-800-554-7849

- Appliance instruction manuals and valid warranties (outdated warranties are useless and remind the buyer of appliance age)
- Coming Soon Addendum (if coming soon applies – generally **not** recommended)

Put yourself in the buyers’ shoes, what would you want to know about the property?

Sellers receive:

- Signed listing agreement, Professional Services Disclosure
- Signed contract with addenda and disclosures
- Preliminary Title Report (also known as Prelim), Preliminary Title Opinion (PTO)
 The Preliminary Title Report is a document that shows who the owners are, what taxes are owed on the property, what type of liens are recorded on your property, and any type of covenants or conditions recorded on your property. There may be other important information reported about your property. Basically, you need the Preliminary Title Report to know ahead of time, whether there is anything reported as negative or needing attention on your property *before* you begin the sales process.
- Seller’s Net Sheet
 The Seller’s Net Sheet is a document that sums up all of the expenses and money to be received at the time your property is sold. The result of the Seller’s Net Sheet is just an estimate, but the information should be reliable enough to give you an idea of how much money you can expect to receive at the end of the closing/ownership transfer.
- Closing Disclosure (CD) settlement statement (may also be referred to by older names HUD-1 or ALTA, also RESPA in some areas)
- Net Proceeds check or wire transfer confirmation
- Notification or copy of recorded deed, same day or business day after closing, which confirms ownership transfer complete and keys may be released – transaction is final

Shawn is one of few agents who delivers results in an uncertain market

Call Vee Real Estate Brokers today to get your property sold!

