

ROY COOPER

Governor

ELIZABETH S. BISER

Secretary

WILLIAM F. LANE

General Counsel



NORTH CAROLINA
Environmental Quality

MEMORANDUM

TO: Coastal Resource Advisory Council

FROM: Christine A. Goebel, DEQ Assistant General Counsel

DATE: April 14, 2023

RE: Information on recent rulemaking by the N.C. Real Estate Commission regarding property flooding disclosures

At the February 23, 2023 Coastal Resources Commission meeting in Ocean Isle Beach, CRAC Co-Vice Chair Webb Fuller requested that CRC Chair Cahoon direct DCM Staff to make a presentation to the CRAC regarding the recent rulemaking taken by the N.C. Real Estate Commission regarding property flooding disclosures. This memo and attachments will do that and also give background information about coastal hazards disclosure efforts.

On January 18, 2023, the Southern Environmental Law Center (SELC) on behalf of five non-profit organizations filed a Petition for Rulemaking with the N.C. Real Estate Commission (NCREC) seeking a change to their rules regarding the contents of the North Carolina Real Estate Disclosure Form. A copy of the petition is attached. SELC laid the foundation for why its clients believed that the disclosure form should be updated to include five new questions requiring a seller (and their agent if the condition is known to them) to disclose a property's flood history and flood risk. The proposed disclosure questions were:

- Has any structure on the property ever flooded? If yes, provide the number of times.
- Have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program? If yes, provide the amount received.
- Is there flood insurance on the property? If yes, provide the current premium amount.
- Have you or any previous owners received assistance from FEMA, the U.S. Small Business Administration, or any other federal disaster assistance for flood damage to the property? For properties that have received federal disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain and maintain flood insurance can result in an individual being ineligible for future assistance.
- Is there a FEMA elevation certificate for the property?

The NCREC discussed the Petition at their January 18, 2023 meeting and asked staff to meet with Petitioners and bring forth suggested changes at the February meeting. At their February 15, 2023 meeting the NCREC's Director of Regulatory Affairs stated that staff recommended approving the petition with the understanding that changes would be proposed to address various flood issues in the Residential Property and Owners' Association Disclosure Statement. The NCREC voted to



North Carolina Department of Environmental Quality | General Counsel

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accept the proposed text changes for 21 NCAC 58A .0114. The NCRE had the proposed changes published in the March 15, 2023 North Carolina Register (pp 1904-1909). The proposed effective date of the rule change and amended disclosure form is July 1, 2023. While the amended rule indicates that the “flood hazard status” questions shall be included on the disclosure form, the actual form is now to be approved by the NCREC and available on their website (the current version on their website was revised 8/21 and does not yet include the flood questions). The required public meeting was held on April 20, 2023 (at the Chowan County Courthouse at the NCREC April meeting which can also be viewed on Zoom) and the comment period ends May 15, 2023. DCM Staff can provide another update at the June 15, 2023 CRC meeting or the August 23-24, 2023 CRAC/CRC meeting.

The SELC petition to the NCREC requires disclosure of flood risks and prior flooding events generally and was not limited to coastal counties or flooding from the ocean. A more specific “coastal hazards” disclosure has been proposed in bill language by the General Assembly in the past but has never been passed into law. Former Coastal Resources Commissioner and current member of the General Assembly Pricey Harrison proposed the disclosure of coastal hazards in 2005 (H1512), 2007 (H1628) and 2009 (H605). These bills would require the disclosure of coastal hazards such as nearby shoreline erosion rates, the presence of property in an Inlet Hazard AEC, the presence of sandbags (covered or not) on a property and other requirements. One of the main concerns with these bills was the availability of the information to be disclosed and the ease and speed of a potential seller and their agent to access the information required to be included on a disclosure form at the time of the offer to purchase contract.

The NCREC and NC Sea Grant collaborated on a brochure titled “Purchasing Coastal Real Estate in North Carolina” (First published in 1996) which CRAC member Spencer Rogers was involved with. This educational brochure is not required to be provided to potential buyers of coastal real estate but can provide some helpful information. A copy of this brochure is attached.

In the spring of 2021, I supervised a third-year UNC Law Student Anderson Tran in an externship project on the issue of coastal hazards disclosures. Mr. Tran was directed to review the coastal hazards-related disclosure requirements of North Carolina and the other coastal and Great Lakes states to understand what North Carolina and other states required in 2021, and to suggest language that might be added to the North Carolina disclosure form. A copy of Mr. Tran’s report and the survey results are attached.

I look forward to discussing this issue with the Council in May.

Attachments:

SELC Petition for Rulemaking to NCREC

NCREC and NC Sea Grant Coastal Real Estate brochure

2021 Extern Project of Mr. Tran for NC DEQ OGC with survey spreadsheet



**NORTH CAROLINA
REAL ESTATE COMMISSION
Regulatory Affairs Division**

MEMORANDUM

DATE: January 18, 2023

TO: North Carolina Real Estate Commission

FROM: Janet Thoren, Legal Counsel
Melissa Vuotto, Rulemaking Coordinator

RE: Petition for Rulemaking

Attached are Rule 21 NCAC 58A .0114 and the Petition that was submitted on December 1, 2022. Pursuant to NCGS 150B-20, the deadline to grant or deny the Petition is March 31, 2023. Staff received approximately 200 emails from the public containing identical language as copied below:

Dear Commissioners

I'm writing to you today because I'm very concerned about the insufficient amount of information that property sellers must disclose about flooding. Right now, North Carolina has one of the weakest flood disclosure policies in the country.

A house that has flooded before is more likely to get hit again. Unsuspecting homebuyers could incur tens of thousands of dollars in unanticipated flood damages if the state does not require that sellers disclose information about past flooding and flood insurance coverage.

As a North Carolina resident, I'm asking that the Commission grant the petition submitted on behalf of the NRDC and other state partners by the Southern Environmental Law Center. The Commission must require that sellers disclose all past flood damages to potential buyers.

Providing this information to buyers would allow them to make informed decisions about the home they choose to purchase, whether they should purchase flood insurance, and investments they may want to make in order to address the risk of flooding.

Currently, the North Carolina Real Estate Commission's policies fall short of best practices for flood hazard disclosure. The state does not require sellers to share the information necessary for buyers to know a property's flood history; including

actual damages, costs of flood insurance, or whether previous owners ever received federal disaster assistance.

Other coastal states that face similar exposure to floods and hurricanes, like Louisiana and Texas, already ensure that homebuyers are given complete information about a home's flood history before purchase.

With hurricane season just months away, it is vital that you act quickly to change the flood disclosure policies. Please help ensure that homebuyers have information about past flooding and flood risks before they make a decision to purchase a home.

Thank you.

1 **21 NCAC 58A .0114 RESIDENTIAL PROPERTY AND OWNERS' ASSOCIATION DISCLOSURE**
2 **STATEMENT**

3 (a) Every owner of real property subject to a transfer of the type governed by Chapter 47E of the General Statutes
4 shall complete the following Residential Property and Owners' Association Disclosure Statement and furnish a copy
5 of the complete statement to a buyer in accordance with the requirements of G.S. 47E-4. The form shall bear the seal
6 of the North Carolina Real Estate Commission and shall read as follows:

7
8 **[N.C. REAL ESTATE COMMISSION SEAL]**
9

10 **STATE OF NORTH CAROLINA**
11 **RESIDENTIAL PROPERTY AND OWNERS' Association DISCLOSURE STATEMENT**

12 **Instructions to Property Owners**

- 13
14
- 15 1. The Residential Property Disclosure Act (G.S. 47E)("Disclosure Act") requires owners of residential real
16 estate (single-family homes, individual condominiums, townhouses, and the like, and buildings with up to
17 four dwelling units) to furnish buyers a Residential Property and Owners' Association Disclosure Statement
18 ("Disclosure Statement"). This form is the only one approved for this purpose. A disclosure statement must
19 be furnished in connection with the sale, exchange, option, and sale under a lease with option to purchase
20 where the tenant does not occupy or intend to occupy the dwelling. A disclosure statement is not required for
21 some transactions, including the first sale of a dwelling which has never been inhabited and transactions of
22 residential property made pursuant to a lease with option to purchase where the lessee occupies or intends to
23 occupy the dwelling. For a complete list of exemptions, see G.S. 47E-2.
24
 - 25 2. You must respond to each of the questions on the following pages of this form by filling in the requested
26 information or by placing a check (✓) in the appropriate box. In responding to questions, you are only
27 obligated to disclose information about which you have actual knowledge.
28
 - 29 a. If you check "Yes" for any question, you must explain your answer and either describe any problem or attach
30 a report from an attorney, engineer, contractor, pest control operator or other expert or public agency
31 describing it. If you attach a report, you will not be liable for any inaccurate or incomplete information
32 contained in it so long as you were not grossly negligent in obtaining or transmitting the information.
33
 - 34 b. If you check "No," you are stating that you have no actual knowledge of any problem. If you check "No" and
35 you know there is a problem, you may be liable for making an intentional misstatement.
36
 - 37 c. If you check "No Representation," you are choosing not to disclose the conditions or characteristics of the
38 property, even if you have actual knowledge of them or should have known of them.
39
 - 40 d. If you check "Yes" or "No" and something happens to the property to make your Disclosure Statement
41 incorrect or inaccurate (for example, the roof begins to leak), you must promptly give the buyer a corrected
42 Disclosure Statement or correct the problem.
43
 - 44 3. If you are assisted in the sale of your property by a licensed real estate broker, you are still responsible for
45 completing and delivering the Disclosure Statement to the buyers; and the broker must disclose any material
46 facts about your property which he or she knows or reasonably should know, regardless of your responses
47 on the Statement.
48
 - 49 4. You must give the completed Disclosure Statement to the buyer no later than the time the buyer makes an
50 offer to purchase your property. If you do not, the buyer can, under certain conditions, cancel any resulting
51 contract (See "**Note to Buyers**" below). You should give the buyer a copy of the Disclosure Statement
52 containing your signature and keep a copy signed by the buyer for your records.
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Note to Buyers

If the owner does not give you a Residential Property and Owners' Association Disclosure Statement by the time you make your offer to purchase the property, you may under certain conditions cancel any resulting contract without penalty to you as the buyer. To cancel the contract, you must personally deliver or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following your receipt of the Disclosure Statement, or three calendar days following the date of the contract, whichever occurs first. However, in no event does the Disclosure Act permit you to cancel a contract after settlement of the transaction or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

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5. In the space below, type or print in ink the address of the property (sufficient to identify it) and your name. Then sign and date.

Property Address: _____
 Owner's Name(s): _____
Owner(s) acknowledge(s) having examined this Disclosure Statement before signing and that all information is true and correct as of the date signed.

Owner Signature: _____ Date _____, ____
 Owner Signature: _____ Date _____, ____
Buyers acknowledge receipt of a copy of this Disclosure Statement; that they have examined it before signing; that they understand that this is not a warranty by owners or owners' agents; that it is not a substitute for any inspections they may wish to obtain; and that the representations are made by the owners and not the owners' agents or subagents. Buyers are strongly encouraged to obtain their own inspections from a licensed home inspector or other professional. As used herein, words in the plural include the singular, as appropriate.

Buyer Signature: _____ Date _____, ____
 Buyer Signature: _____ Date _____, ____

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Property Address/Description: _____

The following questions address the characteristics and condition of the property identified above about which the owner has actual knowledge. Where the question refers to "dwelling," it is intended to refer to the dwelling unit, or units if more than one, to be conveyed with the property. The term "dwelling unit" refers to any structure intended for human habitation.

- | | Yes | No | No Representation |
|---|--------------------------|--------------------------|--------------------------|
| 1. In what year was the dwelling constructed? _____
Explain if necessary: _____ | | | <input type="checkbox"/> |
| 2. Is there any problem, malfunction or defect with the dwelling's foundation, slab, fireplaces/chimneys, floors, windows (including storm windows and screens), doors, ceilings, interior and exterior walls, attached garage, patio, deck or other structural components including any modifications to them? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The dwelling's exterior walls are made of what type of material? <input type="checkbox"/> Brick Veneer <input type="checkbox"/> Wood <input type="checkbox"/> Stone <input type="checkbox"/> Vinyl <input type="checkbox"/> Synthetic Stucco <input type="checkbox"/> Composition/Hardboard <input type="checkbox"/> Concrete <input type="checkbox"/> Fiber Cement <input type="checkbox"/> Aluminum <input type="checkbox"/> Asbestos <input type="checkbox"/> Other _____
(Check all that apply) | | | <input type="checkbox"/> |

4. In what year was the dwelling's roof covering installed? _____
 (Approximate if no records are available.) Explain if necessary:

5. Is there any leakage or other problem with the dwelling's roof?
6. Is there any water seepage, leakage, dampness or standing water in the dwelling's basement, crawl space, or slab?
7. Is there any problem, malfunction or defect with the dwelling's electrical system (outlets, wiring, panel, switches, fixtures, generator, etc.)?
8. Is there any problem, malfunction or defect with the dwelling's plumbing system (pipes, fixtures, water heater, etc.)?
9. Is there any problem, malfunction or defect with the dwelling's heating and/or air conditioning?
10. What is the dwelling's heat source? Furnace Heat Pump Baseboard
 Other _____ (Check all that apply)
 Age of system: _____
11. What is the dwelling's cooling source? Central Forced Air Wall/Window Unit(s)
 Other _____ (Check all that apply)
 Age of system: _____
12. What is the dwelling's fuel sources? Electricity Natural Gas Propane Oil
 Other _____ (Check all that apply)
 If the fuel source is stored in a tank, identify whether the tank is above ground or below ground, and whether the tank is leased by seller or owned by seller.
 (Check all that apply)
13. What is the dwelling's water supply source? City/County Community System
 Private Well Shared Well Other _____
 (Check all that apply)
14. The dwelling's water pipes are made of what type of material? Copper Galvanized
 Plastic Polybutylene Other _____
 (Check all that apply)
15. Is there any problem, malfunction or defect with the dwelling's water supply (including water quality, quantity or water pressure)?
16. What is the dwelling's sewage disposal system? Septic Tank Septic Tank with Pump
 Community System Connected to City/County System City/County System available
 Straight pipe (wastewater does not go into a septic or other sewer system [note: use of this type of system violates State law])
 Other _____
 (Check all that apply)
17. If the dwelling is serviced by a septic system, do you know how many bedrooms are allowed by the septic system permit? If your answer is "Yes," how many bedrooms are allowed?
 _____ No records available.
18. Is there any problem, malfunction or defect with the dwelling's sewer and/or septic system?

19. Is there any problem, malfunction or defect with the dwelling's central vacuum, pool, hot tub, spa, attic fan, exhaust fan, ceiling fans, sump pump, irrigation system, TV cable wiring or satellite dish, garage door openers, gas logs, or other systems?
20. Is there any problem, malfunction or defect with any appliances that may be included in the conveyance (range/oven, attached microwave, hood/fan, dishwasher, disposal, etc.)?
21. Is there any problem with present infestation of the dwelling, or damage from past infestation of wood destroying insects or organisms which has not been repaired?
22. Is there any problem, malfunction or defect with the drainage, grading or soil stability of the property?
23. Are there any structural additions or other structural or mechanical changes to the dwelling(s) to be conveyed with the property?
24. Is the property to be conveyed in violation of any local zoning ordinances, restrictive covenants, or other land-use restrictions, or building codes (including the failure to obtain proper permits for room additions or other changes/improvements)?
25. Are there any hazardous or toxic substances, materials, or products (such as asbestos, formaldehyde, radon gas, methane gas, lead-based paint) which exceed government safety standards, any debris (whether buried or covered) or underground storage tanks, or any environmentally hazardous conditions (such as contaminated soil or water, or other environmental contamination) located on or which otherwise affect the property?
26. Is there any noise, odor, smoke, etc. from commercial, industrial or military sources which affects the property?
27. Is the property subject to any utility or other easements, shared driveways, party walls or encroachments from or on adjacent property?
28. Is the property subject to any lawsuits, foreclosures, bankruptcy, leases or rental agreements, judgments, tax liens, proposed assessments, mechanics' liens, materialmens' liens, or notices from any governmental agency that could affect title to the property?
29. Is the property subject to a flood hazard or is the property located in a federally-designated flood hazard area?
30. Does the property abut or adjoin any private road(s) or street(s)?
31. If there is a private road or street adjoining the property, is there in existence any owners' association or maintenance agreements dealing with the maintenance of the road or street?

1 **If you answered "yes" to any of the questions listed above (1-31) please explain (attach additional sheets if**
 2 **necessary):**

3 _____
 4 _____
 5 _____

6
 7 In lieu of providing a written explanation, you may attach a written report to this Disclosure Statement by a public
 8 agency, or by an attorney, engineer, land surveyor, geologist, pest control operator, contractor, home inspector, or
 9 other expert, dealing with matters within the scope of that public agency's functions or the expert's license or expertise.

10
 11 **The following questions pertain to the property identified above, including the lot to be conveyed and any**
 12 **dwelling unit(s), sheds, detached garages, or other buildings located thereon.**

37. As of the date this Disclosure Statement is signed, are there any unsatisfied judgments against or pending lawsuits involving the planned community or the association to which the property and lot are subject, with the exception of any action filed by the association for the collection of delinquent assessments on lots other than the property and lot to be conveyed? If your answer is "yes," please state the nature of each pending lawsuit and the amount of each unsatisfied judgment:

38. Which of the following services and amenities are paid for by the owners' association(s) identified above out of the association's regular assessments ("dues")? (Check all that apply.)

	Yes	No	No Representation
Management Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exterior Building Maintenance of Property to be Conveyed			
Master Insurance			
Exterior Yard/Landscaping Maintenance of Lot to be Conveyed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Common Areas Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trash Removal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Amenity Maintenance (specify amenities covered) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>			
Pest Treatment/Extermination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Street Lights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Storm Water Management/Drainage/Ponds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private Road Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parking Area Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gate and/or Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>			
<hr/>			

Buyer Initials and Date _____ Owner Initials and Date _____

Buyer Initials and Date _____ Owner Initials and Date _____

(b) The form described in Paragraph (a) of this Rule may be reproduced, but the text of the form shall not be altered or amended in any way.

(c) The form described in Paragraph (a) of this Rule as amended effective July 1, 2021, applies to all properties placed on the market on or after July 1, 2021. The form described in Paragraph (a) of this Rule as amended effective July 1, 2018, applies to all properties placed on the market prior to July 1, 2021. If a corrected disclosure statement required by G.S. 47E-7 is prepared on or after July 1, 2021, for a property placed on the market prior to July 1, 2021, the form described in Paragraph (a) of this Rule as amended effective July 1, 2021, shall be used.

History Note: Authority G.S. 47E-4(b); 47E-4(b1); 93A-3(c); 93A-6; Eff. October 1, 1998;

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Amended Eff. July 1, 2014; January 1, 2013; January 1, 2012; July 1, 2010; July 1, 2009; January 1, 2008; July 1, 2006; September 1, 2002; July 1, 2000;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018;
Amended Eff. July 1, 2021; July 1, 2018.

**BEFORE THE
NORTH CAROLINA REAL ESTATE COMMISSION**

NRDC, The North Carolina Justice Center,)	PETITION FOR RULEMAKING
MDC Inc., The North Carolina Disaster)	PURSUANT TO NCGS § 150B-20
Recovery and Resilience School, Robeson)	TO AMEND 21 NCAC 58A. 0114
County Church and Community Center,)	AND 21 NCAC 58A .0700
and NC Field)	
Petitioners)	

On behalf of Natural Resources Defense Council (“NRDC”), the North Carolina Justice Center, MDC Inc., the North Carolina Disaster Recovery and Resiliency School, Robeson County Church and Community Center, and NC Field (“Petitioners”), the undersigned file this Petition for Rulemaking (“Petition”) pursuant to and in accordance with the North Carolina Administrative Procedure Act, NCGS § 150B-20, and 21 NCAC 58A .0700. These provisions require any person wishing to adopt, amend, or repeal a rule of the North Carolina Real Estate Commission (“the Commission”) to submit a rulemaking petition addressed to the executive director of the Commission. The following sections of this Petition shall be organized by and provide the information that is required of rulemaking petitions set forth in 21 NCAC 58A .0701(b)(1)-(5).

I. PETITIONERS

Petitioner NRDC is an international, non-profit environmental and public health membership organization. NRDC advocates to reduce greenhouse gas emissions that cause climate change, increase the resilience of communities to the unavoidable impacts of climate change, and safeguard human health. NRDC has 9,762 members that live in North Carolina. NRDC’s members are at risk of harm because North Carolina’s Residential Property and Owners’ Association Disclosure Statement¹ fails to require adequate disclosure of a property’s flood history and flood risk. Without adequate disclosure, NRDC’s members are hindered in their ability to make an informed decision concerning the purchase of a property.

Petitioner North Carolina Justice Center is a progressive research and advocacy non-profit organization with the mission to eliminate poverty in North Carolina by ensuring that every household in the state has access to the resources, services, and fair treatment it needs to achieve economic security. Because flood risks and the consequences of flood events disproportionately harm lower income households, pushing for adequate flood disclosure falls within the North Carolina Justice Center’s mission.

For over 50 years, petitioner MDC, Inc. has worked to equip leaders, institutions, and communities with the necessary tools and strategies to advance equity—particularly racial and gender equity—and economic mobility. One of MDC’s projects, the North Carolina Inclusive

¹ 21 N.C.A.C. 58A .0114

Disaster Recovery Network (NCIDR), works with public, private, non-profit, and faith organizations to seek avenues for community voice and equitable access to resources in a disaster recovery system. Strong flood disclosure requirements further the goals of MDC's NCIDR project.

Petitioner North Carolina Disaster Recovery and Resiliency School is predicated on the belief that survivors impacted by disaster must sustain a seat at the decision-making table as equal partners in preparation, response, mitigation, and recovery. Participating in this petition serves this purpose.

Petitioner Robeson County Church and Community Center is a non-profit organization providing emergency assistance to the County's most vulnerable residents, as well as seeking long-term, sustainable solutions to address social determinants of health. Robeson County Church and Community Center meets residents where they are to provide access to food, housing resources, and supplies through their food pantry and resale store. Robeson County Church and Community Center is uniquely situated as a Petitioner, as their facilities and neighborhood were completely flooded by Hurricane Matthew in 2016. They have witnessed the devastation of the community first-hand with the flooding of the Lumber River in 2016 and 2018. Their current long-term plans for creating permanent, sustainable housing in the community are a direct response to the mass displacement and need seen after the floods. Such need would be significantly alleviated in the future with greater transparency requirements concerning flood disclosure and past receipt of financial assistance.

Petitioner NC Field, located in Kinston, North Carolina, has created a model for training farmworkers and farmworker youth to have a voice in the debates about issues that directly impact their lives and their families' livelihoods. Its mission is to work alongside marginalized communities to build capacity, achieve holistic systems, equitable access to resources, and ensure a strong inclusive rural North Carolina. The flooding that accompanied hurricanes Florence and Matthew were devastating for farmworkers, and NC Field has a direct interest in ensuring that there is more transparency in flood disclosure, as it would further their mission and benefit the community with which they work.

II. SUMMARY OF PROPOSED ACTION

Pursuant to North Carolina's Administrative Procedure Act² and the North Carolina Real Estate Commission's ("Commission") governing regulations,³ Petitioners hereby petition the Commission for the amendment of the Residential Property and Owners' Association Disclosure Statement ("Disclosure Statement").⁴ Petitioners request the Commission initiate a rulemaking to amend the Disclosure Statement to require the disclosure of a property's flood history and flood risk as outlined in the following section.

² N.C. Gen. Stat. § 150B-20.

³ 21 N.C.A.C. 58A .0701.

⁴ 21 N.C.A.C. 58A .0114.

III. TEXT OF THE PROPOSED AMENDMENT TO A RULE

The current Disclosure Statement does not solicit adequate information related to a property's flood history and flood risk. A home that has flooded once is likely to flood again. Providing homebuyers with information about the potential flood risk that comes with a home will enable buyers to take appropriate steps to mitigate damages, including by purchasing flood insurance. The following proposed additions to the Disclosure Statement will equip buyers to make better-informed decisions, leading to more transparent real estate transactions.

30. Has any structure on the property ever flooded? If yes, provide the number of times.

31. Have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program? If yes, provide the amount received.

32. Is there flood insurance on the property? If yes, provide the current premium amount.

33. Have you or any previous owners received assistance from FEMA, the U.S. Small Business Administration, or any other federal disaster flood assistance for flood damage to the property? For properties that have received federal disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain and maintain flood insurance can result in an individual being ineligible for future assistance.

34. Is there a FEMA elevation certificate for the property?

IV. STATEMENT OF THE REASONS FOR THE PROPOSED AMENDMENT TO A RULE

Disclosing flood risk information during real estate transactions equips homebuyers to make better-informed decisions, thus making real estate markets function more effectively.⁵ Any transaction where only one party is privy to information denied to the other is asymmetrical and inherently unfair. As currently written, North Carolina's Disclosure Statement—the only document governing seller disclosures—denies buyers access to crucial information about flood risk, leaving them with inadequate information about one of their most important financial decisions.

Flooding, North Carolina's most common natural hazard,⁶ poses an increasingly significant threat to life and property as climate change strengthens storms and raises sea level.⁷ Despite widespread flooding events in recent years from hurricanes and tropical storms, such as Matthew, Florence, and Dorian in 2016, 2018, and 2019 respectively, homebuyers in North

⁵ FEMA, *Flood Risk Disclosure: Model State Requirements for Disclosing Flood Risk During Real Estate Transactions*, 1 (July 11, 2022) available at https://www.fema.gov/sites/default/files/documents/fema_state-flood-risk-disclosure-best-practices_07142022.pdf

⁶ North Carolina Emergency Management, *Draft North Carolina Hazard Mitigation Plan 2023*, 3-18 (Sept. 2022) available at <https://www.ncdps.gov/media/11577/open>.

⁷ K.E. Kunkel, et. al., *North Carolina Climate Science Report*, 7 (Revised Sept. 2020) available at <https://ncics.org/programs/nccsr>

Carolina are not entitled to information about past flooding damage. This prevents new owners from protecting themselves against future extreme weather-related costs. The four proposed additions to the Disclosure Statement track what is already required in many other states,⁸ including other Southern states with similar flood risks. Adding the proposed disclosures would remedy a lack of transparency in current real estate transactions and empower homebuyers to make fully informed decisions.

This Commission is obligated to develop and require the use of the Disclosure Statement,⁹ and possesses the authority to amend it through rulemaking.¹⁰ It should accordingly amend the Disclosure Statement to require adequate disclosure of flood risk in residential real estate transactions.

a. Flooding in North Carolina will continue to worsen with climate change

North Carolina is subject to increasingly frequent flooding. Between 1996 and 2021, North Carolina experienced 4,382 flooding events, resulting in 72 deaths and \$1,663,464,754 in property and crop damage.¹¹ Every county in North Carolina is vulnerable to flooding as each has identified and mapped Special Flood Hazard Areas (SFHAs) floodplains with at least a 1-percent annual chance of floods that could cause damage to development lying within those floodplains.¹²

The number of properties subject to repeated flooding is growing in North Carolina. As of 2022, the state has documented 11,984 residential repetitive loss properties,¹³ with a net increase of 3,344 repetitive loss properties since 2017.¹⁴ Between 2012 and 2017, the state documented a net increase in repetitive loss properties of 1,787.¹⁵ Importantly, these numbers only represent properties covered by the National Flood Insurance Program. The number of residential properties that have been subjected to repeated flood damage is likely greater. Most of those properties are likely uninsured or may have coverage from private insurers, which would exclude them from being counted.

⁸ See, NRDC, *How States Stack Up on Flood Disclosure*, <https://www.nrdc.org/flood-disclosure-map>; FEMA, *supra* note 5 at 16 – 18 (detailing each state’s real estate disclosure law requirements concerning flooding).

⁹ N.C. Gen. Stat. § 47E-4(b).

¹⁰ *Id.*; *id.* at § 47E-10.

¹¹ North Carolina Emergency Management, *supra* note 6 at 3-14 - 3-16 (Damage amount is inflated to 2017 dollars).

¹² *Id.* at 3-9.

¹³ A repetitive loss property is “any insured structure with at least two paid flood insurance losses of more than \$1,000 each in any rolling 10-year period since 1978.”

¹⁴ North Carolina Emergency Management, *supra* note 6 at 3-230.

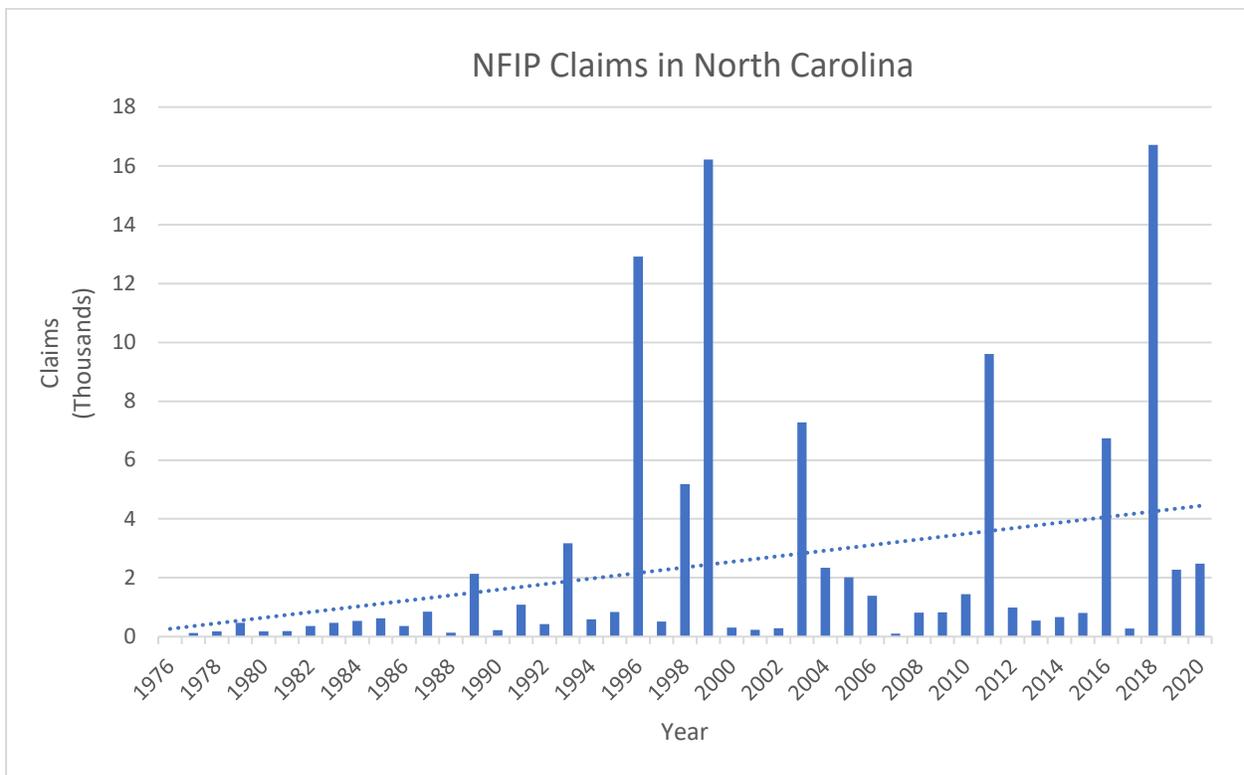
¹⁵ North Carolina Emergency Management, North Carolina Hazard Mitigation Plan 2018, 3-196 (Feb. 2018) *available at* <https://files.nc.gov/ncdps/documents/files/State%20of%20North%20Carolina%20Hazard%20Mitigation%20Plan%20Final%20As%20Adopted.pdf>



(Source: Draft North Carolina Hazard Mitigation Plan 2023, pg. 3-9)

Many North Carolina counties have experienced increased catastrophic flooding in recent years, with some experiencing multiple major flooding disasters. Since 1977, North Carolina has seen 29 major federal disasters declared for events that caused major flood damage in one or more counties.¹⁶

The number of claims filed with the National Flood Insurance Program has also grown over the past 40 years as the below table shows.



¹⁶ North Carolina Emergency Management, *supra* note 6 at 3-9

Current and future emissions of greenhouse gases, the primary driver of climate change,¹⁷ will continue to have a warming effect on the climate for the foreseeable future. This warming effect will lead to increases in temperature that will in turn lead to sea level rise and more extreme precipitation events. When layered onto the booming development and population growth in the state's floodplains, this combination of factors will exacerbate flood risks and associated flood-related damages across North Carolina.

North Carolina is highly susceptible to sea level rise.¹⁸ “Depending on the rate of greenhouse gas emissions, global average sea level is projected to increase by 1.3-2.4 feet (moderate emissions scenario) to 2.0-3.6 feet (higher emissions scenario) by 2100.”¹⁹ Under either projected scenario, the state is likely to experience high tide flooding on a near daily basis by 2100.²⁰ In the coastal communities near Duck, Beaufort, and Wilmington, high-tide flooding is expected to occur as often as one out of every two days during the decade from 2050 to 2060 and daily after about 2080.²¹

Flooding amplified by sea level rise poses grave risks to North Carolina land and property, both coastal and inland, as low-gradient rivers, like the Tar River, see their head of tide migrate several miles inland because of sea level rise.²² The U.S. Environmental Protection Agency has determined North Carolina has the third highest land area that is vulnerable to sea level rise.²³

According to the state's own risk assessment for natural hazards,

It is virtually certain that sea level along the North Carolina coast will continue to rise due to expansion of ocean water from warming and melting of ice on land. Similarly, it is virtually certain that rising sea levels and increasing intensity of coastal storms will result in an increase in storm surge flooding in coastal North Carolina. Increase storm surge will, in time, lead to eroded shorelines. This loss of land and natural buffer will ultimately leave properties further at risk of flooding and storm damage.²⁴

Clearly, in coastal areas, sea level rise will contribute to increasing incidents of flooding and flood damages.

Climate change has also “detectably influenced” extreme precipitation events, an important driver of flooding.²⁵ Per the most recently available North Carolina Climate Science Report, there is a statistically significant upward trend in extreme precipitation events—days with more

¹⁷ Kunkel, *supra* note 7 at 26.

¹⁸ *Id.* at 168 (North Carolina has many square miles of coastal land within a few feet of sea level).

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.* at 176.

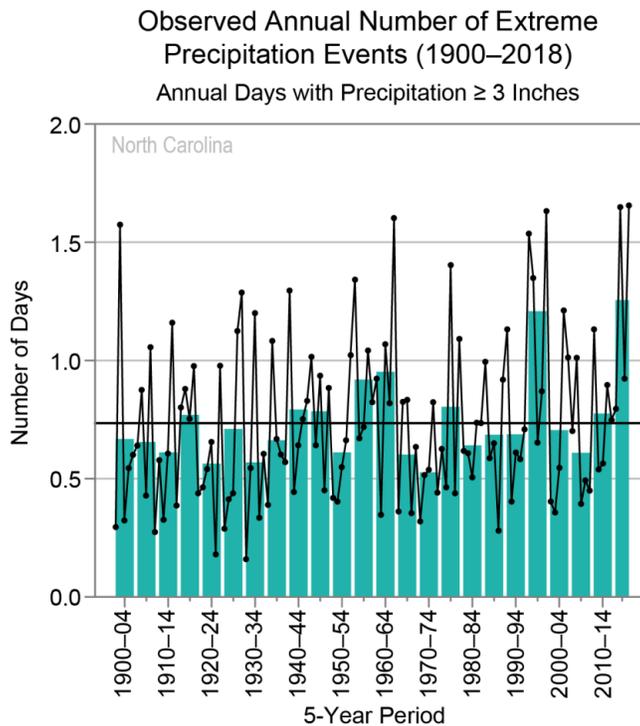
²² *Id.*

²³ North Carolina Emergency Management, *supra* note 6 3-17.

²⁴ *Id.* at 3-40.

²⁵ Sonia Senevirante et al., *Ch 3: Changes in Climate Extremes and their Impacts on the Natural Physical Environment* in IPCC Special Report on Managing Risks of Extreme Events and Disasters to Advance Climate Adaptation 109, 177

than 3 total inches of rainfall—with the highest number of extreme precipitation events occurring in the report’s final 4-year period (2015–2018).²⁶



(Source: North Carolina Climate Science Report)

Furthermore, most parts of North Carolina will see an increase in the number of days with 3 inches or more of precipitation for both midcentury time periods. Based on the virtual certainty that water vapor in the atmosphere will increase with global warming, the risk of extreme precipitation will also increase everywhere in the state.²⁷ In addition, tropical cyclones are expected to produce heavier precipitation, and the strongest storms are projected to become even more catastrophic in the future. Given the link between extreme precipitation and flooding, future increases in heavy rainfall will cause increased flooding across the state.²⁸

b. The proposed disclosures will provide North Carolina homebuyers with critical information regarding flood risk

As flooding becomes increasingly frequent and financially disruptive to North Carolinians, flood risk emerges as a key element of real estate transactions. Despite this mounting evidence, North Carolina’s Disclosure Statement requires only the barest of disclosures, preventing a buyer from knowing about a property’s actual risk and history of flooding. The four proposed additions to the Disclosure Statement would provide homebuyers with critical information currently unavailable to them. Further, North Carolina’s flood risk disclosures lag those of other similarly

²⁶ Kunkel, *supra* note 7 at 66.

²⁷ *Id.*

²⁸ *Id.* at 187

positioned states.²⁹ Adding the proposed questions to the Disclosure Statement would bring North Carolina in line with other Southern states that are feeling the impacts of increased flooding, including Texas, Louisiana, and Mississippi.

Question 29 in the current Disclosure Statement asks the following:

*Is the property subject to a flood hazard or is the property located in a federally designated flood hazard area?*³⁰

The only currently required flood-related disclosure in the Disclosure Statement lacks the requisite specificity to adequately inform potential homebuyers about flood risks and past incidents of flood damage. It presumes that a flood map provides an accurate snapshot of flood risks, which may not be a correct assumption given that FEMA flood maps can be outdated.³¹ Per FEMA's Community Status Book Report for North Carolina, 64 percent of North Carolina's flood maps are outdated.³²

However, even if a flood map is up-to-date, it does not tell a buyer a complete picture. Per FEMA, people outside of FEMA-mapped floodplains file more than 20 percent of NFIP claims and receive one-third of disaster assistance for flooding.³³ Further, FEMA flood maps do not capture so-called urban flooding events nor flooding caused by overburdened storm sewer systems during sudden localized rainstorms. As such, there are numerous situations in which a property could flood that are not reflected by FEMA flood maps. While flood maps can be a useful source of information, they should not be relied upon as the sole piece of information.

A critical indicator of whether a property will flood in the future is whether it has flooded in the past. The best way for a homebuyer to find out that information is through disclosure by the current property owner. Similarly, whether a past homeowner has filed for flood damage with an insurance provider would give a homebuyer important information about the potential for flooding and the severity of damage, which can only be provided by the current owner. Petitioners' proposed Questions 30 and 31 directly elicit this crucial information.

A potential buyer in North Carolina cannot currently ascertain whether the home carries existing insurance due to flooding risk because the current Disclosure Statement fails to elicit this information directly. Petitioners' proposed Question 32 addresses this gap by asking sellers to provide this crucial information, including the current premium amount.

Currently, there is no specific requirement in North Carolina to disclose information that would inform a buyer about whether a property is federally mandated to be covered by flood

²⁹ See, NRDC, *How States Stack Up on Flood Disclosure*, <https://www.nrdc.org/flood-disclosure-map>; see also FEMA, *supra* note 5 at 16 – 18.

³⁰ 21 NCAC 58A. 0114

³¹ DHS Office of the Inspector General, OIG-17-110, *FEMA Needs to Improve Management of Its Flood Mapping Programs* (Sept. 27, 2017) available at <https://www.oig.dhs.gov/sites/default/files/assets/2017/OIG-17-110-Sep17.pdf>

³² *Id.* at 2.

³³ FEMA, National Flood Insurance Program Fact Sheet, https://www.fema.gov/sites/default/files/2020-07/fema_NFIP_National-Flood-Insurance-Program-Fact-Sheet_May-2016.pdf

insurance.³⁴ For properties that have received federal disaster assistance in the past, the requirement to obtain flood insurance passes down to all future owners.³⁵ For these properties, failure to obtain and maintain flood insurance, even if the future owner is unaware that it was required, can result in an individual being ineligible for federal assistance.³⁶ Petitioners' proposed Question 33 would address this shortcoming in the Disclosure Statement.

Another tool in predicting whether a property will flood in the future is a FEMA elevation certificate. This form, completed by a licensed surveyor or engineer, provides critical information about the flood risk of a property and is used by flood insurance providers under the National Flood Insurance Program to help determine the appropriate flood insurance rating for the property. Petitioners' proposed Question 34 would provide a buyer with this tool, which could be especially useful as a buyer may be able to use the elevation certificate from a previous owner for securing their flood insurance coverage.

According to FEMA, two-thirds of states have more explicit flood-related disclosure requirements than North Carolina.³⁷ Other states' disclosure forms, like the aforementioned Louisiana, Mississippi, and Texas, require disclosure of the following: the presence of an active insurance policy, the current cost of flood insurance premiums, previous flood events and/or flood-related property damage, any past flood insurance claims, including dates and amounts, any past disaster-related aid provided (federal, state, or local), including dates and amounts, and the presence of a flood elevation certificate (Exhibits 1-3). In comparison, North Carolina's Disclosure Statement falls short in informing buyers about flood risks.

Adding proposed Questions 30-34 to the Disclosure Statement would bring North Carolina closer to flood disclosure best practices in real estate transactions. These questions elicit information on past flooding history, claims with the National Flood Insurance Program, flood insurance, assistance from local and federal sources, and FEMA elevation certificates. A buyer cannot make an informed decision about purchasing a home without knowledge of flood risk. Knowledge of flood risk informs the price someone is willing to pay for a home, and the actions taken to reduce a home's flood risk and, by extension, adequately protect lives and property. Sellers of residential property in North Carolina are not currently required to disclose adequate information related to flooding risk to buyers, though this information is often only available to them and not in any other person's possession. Though a FEMA flood map can give a general sense of a property's flood risk, it does not tell a buyer if a specific home has flooded in the past. The current owner of a property should know when flooding occurred, what parts of a property or home were damaged, and what the cost and extent of repairs were, among other things. The proposed questions are therefore necessary to safeguard buyers during an asymmetrical process where sellers have access to crucial information without being required to disclose it.

³⁴ Stafford Act, 42 U.S.C. 5154 (a), Sec. 311 (a), available at https://www.fema.gov/sites/default/files/documents/fema_stafford_act_2021_vol1.pdf; NRDC, How States Stack Up on Flood Disclosure, <https://www.nrdc.org/flood-disclosure-map>, <https://www.nrdc.org/flood-disclosure-map>

³⁵ 4 NRDC, How States Stack Up on Flood Disclosure, <https://www.nrdc.org/flood-disclosure-map>

³⁶ *Id.*

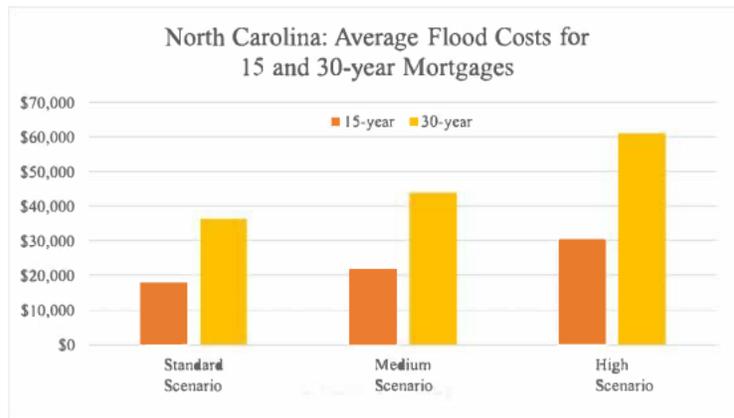
³⁷ FEMA, *supra* note 5 at 3.

c. The proposed amendments will empower homebuyers to mitigate the risks of a flood-prone home

Floods and storm-related costs can be financially devastating for North Carolinians. A recent NRDC-commissioned research study by Milliman, an independent actuarial consulting firm, found that a home buyer of a previously flooded home can incur tens of thousands of dollars in flood damage costs over the course of his or her mortgage.³⁸ Homes that have previously flooded are more likely to flood again, and the average damage associated with previously flooded homes is significantly higher than with homes that have not previously flooded.³⁹

The study found that over the life of a 15-year mortgage, the average buyer of a previously flooded home in North Carolina can expect to incur \$18,164 in additional flood damages.⁴⁰ Home buyers with 30-year mortgages incur \$36,328 in additional costs compared to owners of homes without a history of flooding.⁴¹

Climate change will only exacerbate flood damage costs. As shown below, these costs are significant: a homeowner with a 15-year mortgage faces increased costs of \$22,009 in the medium climate scenario and \$30,512 in the high climate scenario.⁴² The same homeowner with a 30-year mortgage faces \$44,018 in expected costs under the medium climate scenario and \$61,025 under the high climate scenario.⁴³



These proposed amendments to the Disclosure Statement will give all future home buyers in North Carolina adequate information to make a better-informed decision about one of their most important financial decisions.

³⁸ David D. Evans, Larry Baeder, *Estimating Undisclosed Flood Risk in Real Estate Transactions* (Aug. 2022), available at https://www.milliman.com/-/media/milliman/pdfs/2022-articles/7-29-22_nrdc-estimating-undisclosed-flood-risk.ash

³⁹ *Id.* at 1.

⁴⁰ *Id.* at 6.

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.*

d. Strong, bi-partisan support for flood disclosure exists in North Carolina

North Carolina voters strongly support requiring property owners to disclose a home’s flood history to prospective buyers. Per an NRDC-commissioned survey by the Global Strategy Group, more than 80 percent of surveyed North Carolinians support such a requirement (*see* Exhibit 4). This support was firmly bi-partisan; 86 percent of respondents identifying as Democrat and 80 percent of respondents identifying as Republican supported the disclosure of a home’s flood history. Further, 82 percent of respondents identified with the statement “This policy is the right thing to do because it will allow . . . buyers to have full knowledge of the condition and history of property” versus 11 percent of respondents who identified with the statement that “This policy is wrong thing to do because it will add more burdensome regulations.” North Carolinian voters overwhelmingly support flood disclosure, viewing it as benefiting home buyers, public safety, and coastal communities.

V. STATEMENT OF THE EFFECT ON EXISTING RULES OR ORDERS

The proposed rulemaking will amend the Disclosure Statement to adequately require the disclosure of a property’s flood history and flood risk as outlined in the previous sections. The proposed amendment will not affect any other existing rules or forms.

VI. THE NAME AND ADDRESS OF PETITIONERS

NRDC
20 North Wacker Drive
Suite 1600
Chicago, IL 60606

The North Carolina Justice Center
224 South Dawson Street
Raleigh, NC 27601

MDC Inc.
307 West Main St
Durham, NC 27701

The North Carolina Disaster Recovery and Resilience School
c/o Southern Vision Alliance
PO Box 51698
Durham NC 27712

Robeson County Church and Community Center
600 West 5th Street
Lumberton, NC 28358

NC Field
327 North Queen Street
Suite 315
Kinston, NC 28501

VII. REQUEST TO PRESENT THIS PETITION TO THE COMMITTEE

Petitioners request the opportunity to present this petition for rulemaking to the Commission.

Respectfully submitted this the 1st day of December 2022.

EXHIBIT 1
LOUISIANA PROPERTY
DISCLOSURE FORM
Section 6

PROPERTY DISCLOSURE EXEMPTION FORM

In accordance with LSA-R.S. 9:3196-3200, a SELLER of residential real property must furnish BUYERS with a Property Disclosure Document. A complete copy of these statutes can be found at <http://www.legis.la.gov/>. The required Property Disclosure Document may be in the form promulgated by the Louisiana Real Estate Commission ("Commission") or in another form that contains substantially the same information. The Commission form can be found at www.lrec.gov.

WHO IS REQUIRED TO MAKE DISCLOSURE? ALL SELLERS are required to make written disclosure of known defects* regarding a property being transferred. A SELLER'S obligation to furnish a Property Disclosure Document applies to any transfer of any interest in residential real property, whether by sale, exchange, bond for deed, lease with option to purchase, etc. The following transfers are exempt from the requirement to provide a property disclosure document:

CHECK ALL THAT APPLY

- 1. Transfers ordered by a court, including but not limited to a transfer ordered by a court in the administration of an estate, a transfer pursuant to a writ of execution, a transfer by any foreclosure sale, a transfer by a trustee in bankruptcy, a transfer by eminent domain, and any transfer resulting from a decree of specific performance.
- 2. Transfers to a mortgagee by a mortgagor or successor in interest who is in default.
- 3. Transfers by a mortgagee who has acquired the residential real property at a sale conducted pursuant to a power of sale under a mortgage or a sale pursuant to decree of foreclosure, or who has acquired the residential property by a deed in lieu of foreclosure.
- 4. Transfers by a fiduciary in the course of administration of a decedent's estate, guardianship, conservatorship, or trust.
- 5. Transfers of newly constructed residential real property, which has never been occupied.
- 6. Transfers from one or more co-owners solely to one or more of the remaining co-owners.
- 7. Transfers from the succession executor or administrator pursuant to testate or intestate succession.
- 8. Transfers of residential real property that will be converted by the BUYER into a use other than residential use.
- 9. Transfers of residential real property to a spouse or relative in the line of consanguinity (blood line).
- 10. Transfers between spouses resulting from a judgment of divorce or a judgment of separate maintenance or from a property settlement agreement incidental to such a judgment.
- 11. Transfers or exchanges to or from any governmental entity.
- 12. Transfers from an entity that has acquired title or assignment of a real estate contract to a piece of residential real property to assist the prior owner in relocating, as long as the entity makes available to the BUYER a copy of the property disclosure statement, any inspection reports if any furnished to the entity by the prior owner, or both.
- 13. Transfers to an inter vivos trust.
- 14. Acts that, without additional consideration and without changing ownership or ownership interest, confirm, correct, modify, or supplement a deed or conveyance previously recorded.
- 15. NONE OF THE EXEMPTIONS ABOVE APPLY TO THE SELLER(S).

* **Known defect or defect** is a condition found within the property that was actually known by the SELLER and that results in one or all of the following:

- (a) It has a substantial adverse effect on the value of the property.
- (b) It significantly impairs the health or safety of future occupants of the property.
- (c) If not repaired, removed, or replaced, significantly shortens the expected normal life of the property.

CHECK ONE BOX

SELLER claims that he/she is exempt from filling out the Property Disclosure Document and declares that SELLER has no knowledge of known defects to the property.

OR

SELLER has reviewed this Exemption page. SELLER does not claim any of the Exemptions listed on this page. Accordingly, SELLER will complete the Property Disclosure Form.

SELLER (sign) _____ (print) _____ Date _____ Time _____

SELLER (sign) _____ (print) _____ Date _____ Time _____

SELLER (sign) _____ (print) _____ Date _____ Time _____

SELLER (sign) _____ (print) _____ Date _____ Time _____

Received by:

BUYER (sign) _____ (print) _____ Date _____ Time _____

BUYER (sign) _____ (print) _____ Date _____ Time _____

BUYER (sign) _____ (print) _____ Date _____ Time _____

BUYER (sign) _____ (print) _____ Date _____ Time _____

PROPERTY DISCLOSURE DOCUMENT

In accordance with LSA-R.S. 9:3196-3200, a SELLER of residential real property must furnish BUYERS with a Property Disclosure Document. A complete copy of these statutes can be found at www.legis.la.gov. The required Property Disclosure Document may be in the form promulgated by the Louisiana Real Estate Commission ("Commission") or in another form that contains substantially the same information. The Commission form can be found at www.lrec.gov.

RIGHTS OF BUYER AND CONSEQUENCES FOR FAILURE TO DISCLOSE: If the Property Disclosure Document is delivered after the BUYER makes an offer, the BUYER can terminate any resulting real estate contract or withdraw the offer for up to **72 hours** after receipt of the Property Disclosure Document. This termination or withdrawal will be without penalty to the BUYER and any deposit or earnest money must be promptly returned to the BUYER (despite any agreement to the contrary).

DUTIES OF REAL ESTATE LICENSEES AND CONSEQUENCES FOR FAILURE TO FULFILL SUCH DUTIES: Louisiana law requires real estate licensees to inform their clients of those clients' duties and rights in connection with the Property Disclosure Document. Failure to inform could subject the licensee to censure or suspension or revocation of their license, as well as fines. The licensee is not liable for any error, inaccuracy, or omission in a Property Disclosure Document, unless the licensee has actual knowledge of the error, inaccuracy, or omission by the SELLER.

KEY DEFINITIONS:

- **Residential real property** or property is real property consisting of one or not more than four residential dwelling units, which are buildings or structures each of which are occupied or intended for occupancy as single-family residences.
- **Known defect or defect** is a condition found within the property that was actually known by the SELLER and that results in one or all of the following:
 - (a) It has a substantial adverse effect on the value of the property.
 - (b) It significantly impairs the health or safety of future occupants of the property.
 - (c) If not repaired, removed, or replaced, significantly shortens the expected normal life of the property.

OTHER IMPORTANT PROVISIONS OF THE LAW:

- **A Property Disclosure Document shall NOT be considered a warranty by the SELLER.**
- **A Property Disclosure Document is for disclosure purposes only; it is not intended to be part of any contract between the SELLER and the BUYER.**
- **The Property Disclosure Document may not be used as a substitute for any inspections or warranties that the BUYERS or SELLER may obtain.**
- **Nothing in this law precludes the rights or duties of a BUYER to inspect the physical condition of the property.**
- **The SELLER shall not be liable for any error, inaccuracy, or omission, of any information required to be delivered to the BUYERS if the error, inaccuracy, or omission, was not a willful misrepresentation, according to the best of the SELLER's information, knowledge and belief or was based on information provided by a public body or another person with a professional license or special knowledge, who provided a written or oral report or opinion that the SELLER reasonably believed to be correct and which was transmitted by the SELLER to the BUYER.**

PROPERTY DESCRIPTION (ADDRESS, CITY, STATE ZIP)

The following representations are made by the SELLER and **NOT** by any real estate licensee. It is not a substitute for any inspections or professional advice the BUYER may wish to obtain. The following information is based only upon the SELLER's actual knowledge of the property. The SELLER can only disclose what the SELLER actually knows. The SELLER may not know about all material or significant items affecting the property.

Y = Yes N = No NK = No Knowledge

SECTION 1: LAND

- (1) What is the length of ownership of the property by the SELLER? _____
- (2) Lot size or acres _____
- (3) Are you aware of any servitudes/encroachments regarding the property, other than typical/customary utility servitudes, that would affect the use of the property? Y N
- (4) Are you aware of any rights vested in others? Check all that apply and explain at the end of this section.

Timber rights	<input type="checkbox"/> Y	<input type="checkbox"/> N	Common driveway	<input type="checkbox"/> Y	<input type="checkbox"/> N
Right of ingress or egress	<input type="checkbox"/> Y	<input type="checkbox"/> N	Mineral rights	<input type="checkbox"/> Y	<input type="checkbox"/> N
Right of way	<input type="checkbox"/> Y	<input type="checkbox"/> N	Surface rights	<input type="checkbox"/> Y	<input type="checkbox"/> N
Right of access	<input type="checkbox"/> Y	<input type="checkbox"/> N	Air rights	<input type="checkbox"/> Y	<input type="checkbox"/> N
Servitude of passage	<input type="checkbox"/> Y	<input type="checkbox"/> N	Usufruct	<input type="checkbox"/> Y	<input type="checkbox"/> N
Servitude of drainage	<input type="checkbox"/> Y	<input type="checkbox"/> N	Other _____		
- (5) Has any part of the property been determined to be or pending determination as a wetland by the United States Army Corps of Engineers under §404 of the Clean Water Act? Y N NK

If yes, documentation shall be attached and become a part of this Property Disclosure Document.

The Clean Water Act is a federal law that protects the wetlands of the United States. Section 404 of the Act contains permit requirements for altering or building on property that has been determined a wetland by the Army Corps of Engineers. The Corps may assess a fee to the **SELLER** or **BUYER** of a property for this determination. A property that has been determined a wetland may result in additional costs for a Section 404 permit.

Question Number	Explanation of "Yes" answers	<input type="checkbox"/> Additional sheet is attached
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION 2: TERMITES, WOOD-DESTROYING INSECTS AND ORGANISMS

- (6) Has the property ever had termites or other wood-destroying insects or organisms?

(a) during the time the SELLER owned the property?	<input type="checkbox"/> Y	<input type="checkbox"/> N	
(b) prior to the time the SELLER owned the property?	<input type="checkbox"/> Y	<input type="checkbox"/> N	<input type="checkbox"/> NK
(c) Was there any damage to the property?	<input type="checkbox"/> Y		<input type="checkbox"/> NK
(d) Was the damage repaired?	<input type="checkbox"/> Y		<input type="checkbox"/> NK

BUYER'S Initials: _____ BUYER'S Initials: _____ SELLER'S Initials: _____ SELLER'S Initials: _____
 BUYER'S Initials: _____ BUYER'S Initials: _____ SELLER'S Initials: _____ SELLER'S Initials: _____

PROPERTY DESCRIPTION (ADDRESS, CITY, STATE ZIP)

(7) If the property is currently under a termite contract provide the following:

(a) Name of company _____

(b) Date contract expires _____

(c) List any structures not covered by contract _____

Question Number	Explanation of "Yes" answers	<input type="checkbox"/> Additional sheet is attached

SECTION 3: STRUCTURE(S)

(8) What is the approximate age of all structures on property? Main structure _____
Other structures _____

(9) Have there been any additions or alterations made to the structures during the time the SELLER owned the property? Y N
If yes, were the necessary permits and inspections obtained for all additions or alterations? Y N NK

(10) What is the approximate age of the roof of each structure? Main structure _____
Other structures _____

(11) Are you aware of any defects regarding the following? Check all that apply and if yes, explain at the end of this section.

- | | | | |
|-----------------|---|-------------------|---|
| Roof | <input type="checkbox"/> Y <input type="checkbox"/> N | Irrigation system | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Interior walls | <input type="checkbox"/> Y <input type="checkbox"/> N | Ceilings | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Floor | <input type="checkbox"/> Y <input type="checkbox"/> N | Exterior walls | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Attic spaces | <input type="checkbox"/> Y <input type="checkbox"/> N | Foundation | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Porches | <input type="checkbox"/> Y <input type="checkbox"/> N | Basement | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Steps/Stairways | <input type="checkbox"/> Y <input type="checkbox"/> N | Overhangs | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Pool | <input type="checkbox"/> Y <input type="checkbox"/> N | Railings | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Decks | <input type="checkbox"/> Y <input type="checkbox"/> N | Spa | <input type="checkbox"/> Y <input type="checkbox"/> N |
| Windows | <input type="checkbox"/> Y <input type="checkbox"/> N | Patios | <input type="checkbox"/> Y <input type="checkbox"/> N |
| | | Other | _____ |

(12) Has there ever been any property damage, including, but not limited to, fire, wind, hail, lightning, or other property damage, excluding flood damage referenced in Section 6?

(a) during the time the SELLER owned the property? Y N
(b) prior to the time the SELLER owned the property? Y N NK
If yes, detail all property damages/defects and repair status at the end of this section.

(13) Has there been any foundation repair?
(a) during the time the SELLER owned the property? Y N
(b) prior to the time the SELLER owned the property? Y N NK
(c) Is there a transferable warranty available? Y N NK
(d) If yes, provide the name of warranty company _____

BUYER'S Initials: _____ BUYER'S Initials: _____ SELLER'S Initials: _____ SELLER'S Initials: _____
BUYER'S Initials: _____ BUYER'S Initials: _____ SELLER'S Initials: _____ SELLER'S Initials: _____

(14) Does the property contain exterior insulation and finish system (EIFS) or other synthetic stucco? Y N NK

Question Number Explanation of "Yes" answers Additional sheet is attached

SELLER shall complete and provide the "Disclosure on Lead-Based Paint and Lead-Based Paint Hazard Addendum" that is included with this property disclosure if any structure was built before 1978.

SECTION 4: PLUMBING, WATER, GAS, AND SEWAGE

(15) Are you aware of any defects with the plumbing system?
 (a) during the time the SELLER owned the property? Y N
 (b) prior to the time the SELLER owned the property? Y N NK

(16) Are there any known defects with the water piping?
 (a) during the time the SELLER owned the property? Y N
 (b) prior to the time the SELLER owned the property? Y N NK
 (c) The water is supplied by:
 Municipality Private utility On-site system Shared well system None
 (d) How many private wells service the primary residence only? _____
 (e) If there are private wells, when was the water last tested? Date _____ Results _____
 (f) Are you aware of any polybutylene piping in the structure? Y N NK

(17) Is there gas service available to the property? Y N NK
 (a) If yes, what type? Butane Natural Propane
 (b) If yes, are there any known defects with the gas service? Y NK
 (c) If Butane or Propane, are tanks Owned or Leased

(18) Are there any known defects with any water heater?
 (a) during the time the SELLER owned the property? Y N
 (b) prior to the time the SELLER owned the property? Y N NK

(19) The sewerage service is supplied by: Municipality Community Other _____
 (a) How many private sewer systems service the primary residence only? _____
 (b) Is the property serviced by a pump grinder system? Y N NK

Question Number Explanation of "Yes" answers Additional sheet is attached

SELLER shall attach a private water/sewerage disclosure if the property described herein is not connected to a community sewerage system (i.e., any sewerage system which serves multiple homes/connections) or is not connected to a water system regulated by the Louisiana Department of Health.

SECTION 5: ELECTRICAL, HEATING AND COOLING, APPLIANCES

- (20) Are there any known defects with the electrical system?
 (a) during the time the SELLER owned the property? Y N
 (b) prior to the time the SELLER owned the property? Y N NK
 (c) Are you aware of any aluminum wiring in the structure? Y N NK
- (21) Are there any known defects with the heating or cooling systems?
 (a) during the time the SELLER owned the property? Y N
 (b) prior to the time the SELLER owned the property? Y N NK
- (22) If a fireplace(s) exists, is it working? Y N NK
- (23) Are there any known defects in any permanently installed or built-in appliances?
 (a) during the time the SELLER owned the property? Y N
 (b) prior to the time the SELLER owned the property? Y N NK
- (24) What type of security system is installed? (check all that apply)
 (a) None Security Alarm Fire Audio/Video surveillance
 (b) Are the above security systems Leased or Owned

Question Number Explanation of "Yes" answers Additional sheet is attached

SECTION 6: FLOOD, FLOOD ASSISTANCE, AND FLOOD INSURANCE

- (25) Has any flooding, water intrusion, accumulation, or drainage problem been experienced with respect to the land:
 (a) during the time the SELLER owned the property? Y N
 If yes, indicate the nature and frequency of the defect at the end of this section.
 (b) prior to the time the SELLER owned the property? Y N NK
 If yes, indicate the nature and frequency of the defect at the end of this section.
- (26) Has any structure on the property ever flooded, by rising water, water intrusion or otherwise?
 (a) during the time the SELLER owned the property? Y N
 (b) prior to the time the SELLER owned the property? Y N NK
 If yes, give the nature and frequency of the defect at the end of this section.
- (27) What is/are the flood zone classification(s) of the property? _____ What is the source and date of this information? Check all that apply.
 Survey/Date _____ Elevation Certificate/Date _____ Other/Date _____
 FEMA Flood Map - <https://msc.fema.gov/portal>
 <https://www.floodsmart.gov/flood-map-zone/find-yours>
 Other: _____ (please provide)

- (28) **SPECIAL FLOOD HAZARD AREAS.** If the property is located within a designated special flood hazard area on a map prepared by the Federal Emergency Management Agency, the federal law (42 U.S.C. § 4104a, et seq.), mandates that prospective purchasers be advised that flood insurance may be required as a condition of obtaining financing. Is the property within a designated special flood hazard area? Y N
- (29) Is there flood insurance on the property? Y N

IF YES, A COPY OF THE POLICY DECLARATIONS PAGE SHALL BE ATTACHED AND BECOME PART OF THIS PROPERTY DISCLOSURE DOCUMENT.

PRIVATE FLOOD INSURANCE

- (30) Does SELLER have a flood elevation certificate that will be shared with BUYER? Y N
- (31) Has the SELLER made a private flood insurance claim for this property? Y N NK
- (a) If YES, was the claim approved? Y N NK
- (b) If YES, what was the amount received? _____
- (32) Did the previous owner make a private flood insurance claim for this property? Y N NK
- (a) If YES, was the claim approved? Y N NK
- (b) If YES, what was the amount received? _____

NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

- (33) Has the SELLER made an NFIP claim for this property?
- (a) If YES, was the claim approved? Y N NK
- (b) If YES, what was the amount received? _____
- (34) Did the previous owner make an NFIP for this property?
- (a) If YES, was the claim approved? Y N NK
- (b) If YES, what was the amount received? _____

FEDERAL DISASTER ASSISTANCE

- (35) **FLOOD DISASTER INSURANCE.** If the SELLER or previous owner has previously received federal flood disaster assistance and such assistance was conditioned upon obtaining and maintaining flood insurance on the property, federal law, i.e., 42 U.S.C. § 5154a, mandates that prospective purchasers be advised that they will be required to maintain insurance on the property and that if insurance is not maintained and the property is thereafter damaged by a flood disaster, the purchaser may not be eligible for additional Federal flood disaster assistance. To the best of the SELLER's knowledge, has federal flood disaster assistance been previously received with regard to the property? Y N NK
- (a) If YES, from which federal agency (e.g., FEMA, SBA)? _____
- (b) If YES, what was the amount received? _____
- (c) If YES, what was the purpose of the assistance (e.g., elevation, mitigation, restoration)? _____

ROAD HOME PROGRAM

- (36) Was SELLER a recipient of a **Road Home** grant? Y N NK
- (37) Was a previous owner of the property a recipient of a **Road Home** grant? Y N NK
If YES, complete (a) - (c.) below.
- (a) Is the property subject to the Road Home Declaration of Covenants Running with the Land or other requirements to obtain and maintain flood insurance on the property? Y N NK
- (b) If YES, attach a copy of the Road Home Program Declaration of Covenants other requirements to obtain and maintain flood insurance on the property.
- (c) Has SELLER OR PREVIOUS OWNER(S) personally assumed any terms of the Road Home Program Grant Agreement? Y N NK

Question Number	Explanation of "Yes" answers <input type="checkbox"/> Additional sheet is attached

SECTION 7: MISCELLANEOUS

- (38) Are you aware of any building restrictions or restrictive covenants which may provide for restrictions as to the use of the property or as to the type of construction or materials to be used in the construction of any of structure on the property? Y N
- (39) What is the zoning of the property? _____
Has it ever been zoned for commercial or industrial? Y NK
- (40) Is the property located in an historic district? Y N NK
If yes, which historic district? _____. (See attached disclosure)
- (41) Are you aware of any conflict with current usage of the property and any zoning, building, and/or safety restrictions? Y N
- (42) Are you aware of any current governmental liens or taxes owing on the property? Y N
- (43) Is membership in a homeowners' association (HOA), condominium owners' association (COA), or property owners' association (POA) required as the result of owning this property? Y N
- (a) Are any HOA, COA, or POA dues required? Y N
If yes, what is the amount? \$_____per _____
- (b) Are there any current or pending special assessments? Y N NK
If yes, what is the amount? \$_____per _____
- (c) Provide contact information (name, e-mail or phone number) for HOA, COA or POA. _____

Any information contained in this property disclosure regarding homeowners' associations (HOA), condominium owners' associations (COA), or property owners' associations (POA) is summary in nature. The covenants and association governing documents are a matter of public record and can be obtained from the conveyance records on file at the Clerk of Court in the parish where the property is located.

- (44) Are the streets accessing the property Private Public NK

(45) Is there a homestead exemption in effect? Y N NK

(46) Is there any pending litigation regarding the property not previously disclosed in this document? Y N NK

(47) Has an animal or pet ever inhabited the structure?
(a) during the time the SELLER owned the property? Y N
(b) prior to the time the SELLER owned the property? Y N NK

(48) Does the property or any of its structures contain any of the following? Check all that apply and provide additional details at the end of this section.

- | | | | |
|---------------------------------------|---|------------------------|---|
| Asbestos | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Formaldehyde | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Radon gas | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Chemical storage tanks | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Contaminated soil | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Contaminated water | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Hazardous waste | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Toxic Mold | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Mold/Mildew | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Electromagnetic fields | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Contaminated drywall/sheetrock | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Contaminated flooring | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Other adverse materials or conditions | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | | |

(49) Is there or has there ever been an illegal laboratory for the production or manufacturing of methamphetamine in operation on the property? Y N NK

(50) Is there a cavity created within a salt stock by dissolution with water underneath the property? Y N NK

(51) Is there a solution mining injection well within 2640 feet (1/2 mile) of the property? Y N NK

(52) Are there any solar panels on the property? Y N NK
If yes, are they: Leased Owned Removable Monthly Payment Amount _____

Question Number	Explanation of "Yes" answers <input type="checkbox"/> Additional sheet is attached

PROPERTY DISCLOSURE DOCUMENT ACKNOWLEDGEMENTS

All SELLERS are required to make written disclosure of known defects regarding a property being transferred. I/We attest that the above statements and explanations have been provided by me/us and are true and correct to the best of my/our knowledge. (If either party is represented by a real estate licensee, your signature below acknowledges that you have been informed of your duties and rights under LSA-R.S. 9:3196-3200 and have read and understand the informational statement.)

Seller(s) acknowledge(s) that the information contained herein is current as of the date shown below.

SELLER (sign) _____ (print) _____
Date _____ Time _____

SELLER (sign) _____ (print) _____
Date _____ Time _____

SELLER (sign) _____ (print) _____
Date _____ Time _____

SELLER (sign) _____ (print) _____
Date _____ Time _____

Buyer(s) signing below acknowledge(s) receipt of this property disclosure.

BUYER (sign) _____ (print) _____
Date _____ Time _____

BUYER (sign) _____ (print) _____
Date _____ Time _____

BUYER (sign) _____ (print) _____
Date _____ Time _____

BUYER (sign) _____ (print) _____
Date _____ Time _____

EXHIBIT 2
MISSISSIPPI PROPERTY
CONDITION DISCLOSURE
STATEMENT
Section F



PROPERTY CONDITION DISCLOSURE STATEMENT (PCDS)

THIS FORM MAY BE DUPLICATED BUT IT MAY NOT BE ALTERED OR PERSONALIZED BY THE SELLER(S), ANY BROKERAGE FIRM OR LICENSEE.

The following is a Property Condition Disclosure Statement (PCDS) required by §89-1-507 through §89-1-527 of the Mississippi Real Estate Brokers Act of 1954, as Amended, and made by the **SELLER(S)** concerning the condition of the **RESIDENTIAL PROPERTY (1 TO 4 UNITS)** located at: _____.

SELLER(S): _____ Approximate Age of the Residence _____

This document is a disclosure of the condition of real property known by the SELLER on the date that this statement is signed and it is based on their actual knowledge of the property. It is **NOT a warranty of any kind** by the Seller or any Real Estate Licensee representing a principal in this transaction and this PCDS is not a substitute for any home inspection(s) or warranties the purchaser(s) may wish to obtain. However, the purchaser(s) may rely on the information contained herein when deciding to negotiate the terms for the purchase of the residential real property. This statement may be made available to other parties and **is to be attached to the Listing Agreement and signed by the SELLER(S)**. This statement is **NOT** intended to be part of any contract between the seller and the purchaser.

IF THE RESIDENCE IS NEW (NEVER OCCUPIED) OR PROPOSED RESIDENTIAL CONSTRUCTION and a real estate licensee is involved in the transaction, the **BUILDER/OWNER/SELLER** must complete the PCDS in its entirety and should reference specific plans/specifications, building material lists and/or change orders.

DO NOT LEAVE ANY QUESTIONS UNANSWERED AND DO NOT LEAVE BLANK SPACES. THE SELLER(S) MAY ATTACH ADDITIONAL PAGES IF NECESSARY TO FULLY EXPLAIN A PROPERTY'S CONDITION. THE ACRONYM "N/A" MAY BE USED FOR "NOT APPLICABLE" AND "UNK" MAY BE USED FOR "UNKNOWN".

A. GENERAL INFORMATION:

1. Does the Transferor/Seller currently have a deeded title to the residence? Yes ____ No _____. If "YES", when did the current Seller receive the title to the property? _____.
2. Does the Transferor/Seller currently occupy the residence? Yes ____ No _____. If "NO", has the current seller ever occupied the residence? Yes ____ No _____. If "YES", what were the dates of Occupancy? _____.
3. Is the site improved with a Factory Built (Manufactured Housing Unit) or a Modular Home constructed on a permanent foundation? Yes ____ No _____. If "YES", indicate the Home Identification number on the Data Plate _____.
4. Was the residence built in conformity with an approved building code? Yes ____ No ____ Unknown _____. If "YES", was a PERMIT secured from the City/County Building Authority? Yes ____ No ____ Unknown _____.
5. Do you have a Home Inspection Report which was completed for you? Yes ____ No _____. If "YES", is the report available for review by a prospective purchaser? Yes ____ No _____.

B. STRUCTURAL ITEMS & SOILS:

1. Are you aware of any settlement/heaving of soils, any collapsible or expansive soils or poorly compacted fill on the Property? Yes ____ No ____ Unknown _____. If "YES", please describe, to your knowledge, the nature and location of any settlement or heaving _____.

2. Are you aware of any past or present movement, shifting, deterioration or other problems with the walls (interior or exterior) or the foundation of the Property? Yes ____ No ____ Unknown _____. If "YES", please describe, to your knowledge, the nature and location of any such problems _____.
3. Are you aware of any tests to determine the composition/compaction of the soil or the presence of any "expandable soils" being present on the Property? Yes ____ No _____. If "YES", please provide copies of the results if they are available.
4. Are you aware of any foundation repairs made in the past? Yes ____ No _____. If "Yes", is there a written report which will indicate the foundation repairs? Explain _____.
5. If foundation repairs were completed is there a Warranty which can be transferred to a new owner? Yes ____ No ____.
6. To your knowledge, are any foundation repairs currently needed? Yes ____ No ____ Unknown _____. If "YES", please explain in detail _____.
7. Except for "Cosmetic Upgrades" (carpet, paint, wallpaper, etc) have you remodeled, made any room additions, made structural modifications or other alterations or improvements to the Property? If "YES", please describe, to your knowledge, the nature of all such remodels/alterations _____.
8. To your knowledge, were all necessary work PERMITS and approvals secured in compliance with local/city/county building codes? Yes ____ No ____ Unknown _____. If "YES", please indicate the name of the Licensed Contractor who completed the work and the dates of the work _____.

C. ROOF:

1. Has all or any portion of the roof been repaired or replaced during your ownership? Yes ____ No _____. If "YES", please indicate the dates of the roof work (if known) and describe, to the best of your knowledge, the nature of any roof repairs or replacements. _____.
2. To your knowledge, are there any written warranties presently in place for the roof? Yes ____ No _____. If "YES", please attach copies of any warranties in your possession.
3. Are you aware of any current leaks or defects with the roof such as structural issues, dry rot, water backups, moisture issues, wind damage or hail damage? Yes ____ No _____. If "YES", please describe, to your knowledge, the nature of the defects and their location _____.
4. How long have you known about the current problems with the roof? _____.
5. The roof is ____ years old.

D. HISTORY OF INFESTATION: TERMITES, CARPENTER ANTS, ETC:

1. Are you aware of any ongoing, recurring or habitual problems with termites, dry rot, mildew, vermin, rodents or other pests which affect the Property? Yes ____ No _____. If "YES", please describe, to your knowledge, the nature of the problem and the location of the problem _____.
2. Are you aware of any DAMAGE to the Property which was caused by termites, dry rot, mildew, vermin, rodents or other pests? Yes ____ No _____. If "YES", please describe, to your knowledge, the location of such damage and what efforts were taken to mitigate and/or repair the damage _____.
3. If a Wood Destroying Insect Treatment was required for the residence, which Pest Control Company treated the Property for the problem? _____.
4. If DAMAGE to the residence was actually mitigated/repaired, who was the contractor who repaired the DAMAGE to the Property? _____.
5. To your knowledge, are there any written warranties or other termite or pest control coverage(s) presently in place for the Property? Yes ____ No _____. If "YES", please attach copies of such warranties in your possession.

E. STRUCTURE/FLOOR/WALLS/CEILINGS/WINDOWS/FEATURES:

1. During your ownership, has there been DAMAGE to any portion of the physical structure resulting from fire, windstorm, hail, tornados, hurricane or any other natural disaster? Yes ____ No _____. If "YES", please describe, to your best knowledge, the cause of the damage, in detail, and supply the dates of the losses _____.
2. Are you aware of any past or present problems, malfunctions or defects with the windows (including storm windows and screens), the flooring (hardwood, marble, stone, tile or carpeting), fireplace/chimneys, ceilings, walls (interior), jetted bathtub, hot tub, sauna, skylights, shower or wet bar; including any modifications to them? Yes ____ No _____. If "YES", please describe, to your knowledge, the nature of any such problem; for example, the skylight leaked or the motor which operates the jetted bathtub had to be replaced, etc. _____.
3. Are you aware of any past or present problems, malfunctions or defects with the lawn sprinkler system, swimming pool, hot tub, rain gutters, tile drains (French drains), driveway, patio, storage building, gazebo, outdoor fireplace, or outdoor kitchen appliances (which are remaining with the property)? Yes ____ No _____. If "YES", please describe, to your knowledge, the nature of such

problems; for example, the French drains are clogged and do not remove rain water or the timer for the sprinkler system is not functioning properly, etc. _____.

4. During your ownership, have there been any notices concerning safety issues with a swimming pool or other improvements to the property? Yes ____ No _____. If "YES". Please describe, to the best of your knowledge, those safety issue in detail. _____.

5. Except for regular maintenance of the exterior surfaces of the Property (painting, staining, etc) are you aware of any past or present problems, malfunctions or defects with any portion of the exterior walls, fascias, soffits, stucco, windows, doors or trim? Yes ____ No _____. If "YES", please describe, to your knowledge, the nature of the problems. (for example, there is moisture damage behind the stucco) _____.

F. LAND AND SITE DATA:

1. Is there an engineer’s survey or a recorded plat of the Property available? Yes ____ No _____. If “YES”, please attach a copy of the survey (if available). If “YES”, please indicate by whom the survey was completed _____ and the Date the survey was completed _____.

2. Are you aware of the existence of any of the following, to wit:

Encroachments:	Yes ___ No ___ Unknown ___	Boundary Dispute:	Yes ___ No ___ Unknown ___
Easements:	Yes ___ No ___ Unknown ___	Soil/Erosion:	Yes ___ No ___ Unknown ___
Soil Problems:	Yes ___ No ___ Unknown ___	Standing Water:	Yes ___ No ___ Unknown ___
Land Fill:	Yes ___ No ___ Unknown ___	Drainage Problems:	Yes ___ No ___ Unknown ___

3. Are you aware of any current pending litigation, foreclosure, zoning regulations, restrictive covenants, building code violations, mechanics liens, judgments, special assessments or any other type of restriction which could negatively affect your Property? Yes ____ No _____. If "YES", please explain _____.
4. Other than the utility easements, are you aware of any easement which impacts the residence? Yes ____ No ____.
5. Are there any rights-of-way, easements, eminent domain proceedings or similar matters which may negatively impact your ownership interest in the Property? Yes ____ No _____. If "YES", please explain _____.
6. Are you aware if any portion of the Property (including a part of the site) is currently located in or near a FEMA Designated Flood Hazard Zone? Yes ____ No _____. Unknown _____. If "YES", please indicate the source of your information and the current Map Number used to determine the Flood Zone _____.
7. Is Flood Insurance currently required on the Property? Yes ____ No _____. If "YES", please indicate the amount of the premium currently being paid and when the premium was last adjusted _____.
8. Are you aware if any portion of the Property (Site) is currently designated as being located within a WETLANDS area and is subject to specific restrictive uses? Yes ____ No _____. If "YES", please explain in detail _____.
9. Are you aware if the Property has ever had standing water in the front, rear or side yards for more than forty-eight (48) hours following a heavy rain? Yes ____ No _____. If "YES", please describe, to your knowledge, any unusual circumstances causing the problem _____.
10. Are you aware, **FOR ANY REASON**, in the past or present of water penetration problems in the walls, windows, doors, crawl space, basement or attic? Yes ____ No _____. If "YES", please describe, to your knowledge, the nature of the problem and what steps were taken to remedy the problem _____.
11. **FOR ANY REASON**, past or present, has any portion of the interior of the Property ever suffered water damage or moisture related damage which was caused by flooding, lot drainage, moisture seepage, condensation, sewer overflow, sewer backup, leaking or broken water pipes (during or after construction) pipe fittings, plumbing fixtures, leaking appliances, fixtures or equipment? Yes ____ No _____. If "YES", please describe, to your knowledge, the nature of the problems and what steps were taken to remedy the problems _____.
12. Are you aware, **FOR ANY REASON**, of any leaks, back-ups, or other problems relating to any of the plumbing, water, sewage, or related items during your ownership? Yes ____ No _____. If "YES", please describe, to your best knowledge, the problem you experienced and how it was mitigated _____.

G. APPLIANCES/MECHANICAL EQUIPMENT:

Following is a list of appliances and mechanical systems which may or may not be present in the residence. Please complete the information to the best of your knowledge. You may use the “Item Blanks” at the bottom of the page for additional items.

APPLIANCES/ITEMS/SYSTEMS REMAINING WITH THE PROPERTY:

ITEMS	YES/ #ITEMS	NO N/A	GAS/ ELECTRIC	REPAIRS COMPLETED IN LAST TWO YEARS	AGE
BUILT-IN COOKTOP					
BUILT-IN OVEN(S)					
BUILT-IN DISHWASHER					
GARBAGE DISPOSAL					
ICE-MAKER (STAND ALONE)					
MICROWAVE OVEN					
TRASH COMPACTOR					
KITCHEN VENT FAN(S)					
CENTRAL AIR SYSTEM(S)					
CENTRAL HEATING SYSTEM(S)					
HUMIDIFIERS OR EVAPORATORS					
AIR PURIFIERS					
WATER HEATER(S)					
TANKLESS WATER HEATER(S)					
CEILING FAN(S)					
ATTIC FANS					
BATHROOM VENT FAN(S)					
GARAGE DOOR OPENER(S)					
SMOKE/MONOXIDE DETECTORS					
SECURITY SYSTEM					
INTERCOM/SOUND SYSTEM					
REFRIGERATOR					
FREE STANDING STOVE					

H. OTHER:

1. Are you aware of any past or present hazardous conditions, substances or materials on the Property such as asbestos or asbestos components, lead-based paint, urea-formaldehyde insulation, the presence of Chinese dry-wall, methane gas, radon gas, underground storage tanks and lines or any past industrial uses occurring on the premises? Yes ___ No ___ If "YES", please describe, to your best knowledge, the nature of any such hazardous conditions and any attempts to mitigate any such hazardous condition(s) _____.
2. Are you aware of any past or present contaminations which have resulted from the storing or the manufacturing of methamphetamines? Yes ___ No _____. If "YES", please describe _____.
3. Are you aware if there are currently, or have previously been, any inspections by qualified experts or orders issued on the property by any governmental authority requiring the remediation of MOLD or any other public health nuisance on the Property? Yes ___ No _____. If "YES", please describe, to your best knowledge, any attempts to mitigate such condition(s) _____.
4. Are you aware of any problems or conditions that affect the desirability or functionality of the Heating, Cooling, Electrical, Plumbing, or Mechanical Systems? Yes ___ No _____. If "YES", please described, to your best knowledge, all known problems in complete detail _____.
5. The water supply is: Public ___ Private ___ On-site Well ___ Neighbor's Well ___ Community _____
6. If your drinking water is from a well, when was the water quality last checked for safety, what were the results of the test and who was the qualified entity who conducted the test? _____.
7. Is the water supply equipped with a water softener? Yes ___ No ___ Unknown _____
8. The Sewage System is: Public ___ Private ___ Septic ___ Cesspool ___ Treatment Plant ___ Other _____
9. If the sewer service is by an individual system, has it been inspected by the proper state/county Health Department officials? Yes ___ No _____. If "YES", please give complete details _____.
10. How many bedrooms are allowed by the Individual Waste Water Permit? _____.
11. Is there a sewage pump installed? Yes ___ No ___ Date of the last Septic Inspection _____.

I. MISCELLANEOUS:

1. Is the residence situated on Leasehold or Sixteenth Section land? Yes ___ No ___ Unknown _____. If "YES", please indicate the terms of the lease including payments and expiration date _____.
2. Are you aware of any hidden defects or needed repairs about which the purchaser should be informed **PRIOR** to their purchase? Yes ___ No _____. If "YES", please describe, to your best knowledge, the problem(s) which need to be disclosed _____.
3. What is the **APPROXIMATE SQUARE FOOTAGE** of the Heated and Cooled Living Area? _____.
4. How was the approximation of the Gross Living Area (square footage) determined? _____.
5. Are there any finished hardwood floors beneath the floor coverings? Yes ___ No ___ Unknown _____. If "YES", please indicate, to your best knowledge, the condition and the location of the hardwood floors _____.
6. Are there Homeowner's Association Fees associated with ownership? Yes ___ No ___ Amount _____(Yr/Mth/Quarter)
7. Does the HOA levy dues or assessments for maintenance of common areas and/or other common expenses? _____.
8. Are you aware of any HOA, Public (municipal) special improvement district (**PID**) or other assessments that are presently owing or that have been approved but not yet levied against the Property? Yes ___ No _____. If "YES", please indicate the tax (assessing) entity and the amount of the taxes/assessments _____.
9. Please indicate the contact information for the HOA _____.
10. What is the **YEARLY** Real Estate Tax Bill? County Taxes _____ City Taxes _____ Special District Taxes _____.
11. Has Homestead Exemption been filed for the **current** year? Yes ___ No ___ Unknown _____.
12. Are you aware of any additional tax exemptions which accrue to the Property? Yes ___ No ___ Unknown _____. If "YES", please describe the exemptions and the amount of the tax _____.
13. What is the average **YEARLY** Electric Bill? \$ _____. What is the average **YEARLY** Gas Bill? \$ _____.
14. Is the residence serviced by Propane (LP) Gas? If "YES", what is the average **YEARLY** Propane Bill? \$ _____.
15. The Propane Tank is: Owned ___ Leased ___ If Leased, how much is the lease payment? \$ _____.
16. Is Cable Television Service available at the site? Yes ___ No ___ Service Provider _____.
17. Is Fiber Optic Cable (Internet) available at the site? Yes ___ No ___ Service Provider _____.
18. List any item remaining with the Property which is financed separately from the mortgages _____.

MECHANICAL EQUIPMENT WHICH IS CONSIDERED PERSONAL PROPERTY AND IS NOT CONVEYED BY DEED AS PART OF THE REAL PROPERTY SHOULD BE NEGOTIATED IN THE CONTRACT OF SALE OR OTHER SUCH INSTRUMENT IF THE ITEMS ARE TO REMAIN WITH THE RESIDENCE.

To the extent of the Seller's knowledge as a property owner, the Seller(s) acknowledges that the information contained above is true and accurate for those areas of the property listed. The owner(s) agree to save and hold the Broker harmless from all claims,

disputes, litigation and/or judgments arising from any incorrect information supplied by the owner(s) or from any material fact known by the owner(s) which owner(s) fail to disclose except the Broker is not held harmless to the owner(s) in claims, disputes, litigation, or judgments arising from conditions of which the Broker had actual knowledge.

SELLER (UPON LISTING) DATE

SELLER (UPON LISTING) DATE

SELLER (AT CLOSING) DATE

SELLER (AT CLOSING) DATE

PROSPECTIVE PURCHASER'S SIGNATURE _____

PURCHASER(S) ACKNOWLEDGE RECEIPT OF REPORT DATE

FORM #0100

EFFECTIVE DATE: April 1, 2017

EXHIBIT 3
TEXAS SELLER'S
DISCLOSURE NOTICE



APPROVED BY THE TEXAS REAL ESTATE COMMISSION (TREC)



SELLER'S DISCLOSURE NOTICE

CONCERNING THE PROPERTY AT _____
(Street Address and City)

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

Seller is is not occupying the Property. If unoccupied, how long since Seller has occupied the Property? _____

1. The Property has the items checked below [Write Yes (Y), No (N), or Unknown (U)]:

- | | | |
|---|--|---|
| <input type="checkbox"/> Range | <input type="checkbox"/> Oven | <input type="checkbox"/> Microwave |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Trash Compactor | <input type="checkbox"/> Disposal |
| <input type="checkbox"/> Washer/Dryer Hookups | <input type="checkbox"/> Window Screens | <input type="checkbox"/> Rain Gutters |
| <input type="checkbox"/> Security System | <input type="checkbox"/> Fire Detection Equipment | <input type="checkbox"/> Intercom System |
| | <input type="checkbox"/> Smoke Detector | |
| | <input type="checkbox"/> Smoke Detector-Hearing Impaired | |
| | <input type="checkbox"/> Carbon Monoxide Alarm | |
| | <input type="checkbox"/> Emergency Escape Ladder(s) | |
| <input type="checkbox"/> TV Antenna | <input type="checkbox"/> Cable TV Wiring | <input type="checkbox"/> Satellite Dish |
| <input type="checkbox"/> Ceiling Fan(s) | <input type="checkbox"/> Attic Fan(s) | <input type="checkbox"/> Exhaust Fan(s) |
| <input type="checkbox"/> Central A/C | <input type="checkbox"/> Central Heating | <input type="checkbox"/> Wall/Window Air Conditioning |
| <input type="checkbox"/> Plumbing System | <input type="checkbox"/> Septic System | <input type="checkbox"/> Public Sewer System |
| <input type="checkbox"/> Patio/Decking | <input type="checkbox"/> Outdoor Grill | <input type="checkbox"/> Fences |
| <input type="checkbox"/> Pool | <input type="checkbox"/> Sauna | <input type="checkbox"/> Spa <input type="checkbox"/> Hot Tub |
| <input type="checkbox"/> Pool Equipment | <input type="checkbox"/> Pool Heater | <input type="checkbox"/> Automatic Lawn Sprinkler System |
| <input type="checkbox"/> Fireplace(s) & Chimney
(Wood burning) | | <input type="checkbox"/> Fireplace(s) & Chimney
(Mock) |
| <input type="checkbox"/> Natural Gas Lines | | <input type="checkbox"/> Gas Fixtures |
| <input type="checkbox"/> Liquid Propane Gas | <input type="checkbox"/> LP Community (Captive) | <input type="checkbox"/> LP on Property |
| Garage: <input type="checkbox"/> Attached | <input type="checkbox"/> Not Attached | <input type="checkbox"/> Carport |
| Garage Door Opener(s): | <input type="checkbox"/> Electronic | <input type="checkbox"/> Control(s) |
| Water Heater: | <input type="checkbox"/> Gas | <input type="checkbox"/> Electric |
| Water Supply: <input type="checkbox"/> City | <input type="checkbox"/> Well <input type="checkbox"/> MUD | <input type="checkbox"/> Co-op |
| Roof Type: _____ | Age: _____ | (approx.) |

Are you (Seller) aware of any of the above items that are not in working condition, that have known defects, or that are in need of repair? Yes No Unknown. If yes, then describe. (Attach additional sheets if necessary): _____

(Street Address and City)

2. Does the property have working smoke detectors installed in accordance with the smoke detector requirements of Chapter 766, Health and Safety Code?* Yes No Unknown. If the answer to this question is no or unknown, explain (Attach additional sheets if necessary): _____

* Chapter 766 of the Health and Safety Code requires one-family or two-family dwellings to have working smoke detectors installed in accordance with the requirements of the building code in effect in the area in which the dwelling is located, including performance, location, and power source requirements. If you do not know the building code requirements in effect in your area, you may check unknown above or contact your local building official for more information. A buyer may require a seller to install smoke detectors for the hearing impaired if: (1) the buyer or a member of the buyer's family who will reside in the dwelling is hearing impaired; (2) the buyer gives the seller written evidence of the hearing impairment from a licensed physician; and (3) within 10 days after the effective date, the buyer makes a written request for the seller to install smoke detectors for the hearing impaired and specifies the locations for the installation. The parties may agree who will bear the cost of installing the smoke detectors and which brand of smoke detectors to install.

3. Are you (Seller) aware of any known defects/malfunctions in any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

_____ Interior Walls	_____ Ceilings	_____ Floors
_____ Exterior Walls	_____ Doors	_____ Windows
_____ Roof	_____ Foundation/Slab(s)	_____ Sidewalks
_____ Walls/Fences	_____ Driveways	_____ Intercom System
_____ Plumbing/Sewers/Septics	_____ Electrical Systems	_____ Lighting Fixtures
_____ Other Structural Components (Describe): _____		

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): _____

4. Are you (Seller) aware of any of the following conditions? Write Yes (Y) if you are aware, write No (N) if you are not aware.

_____ Active Termites (includes wood destroying insects)	_____ Previous Structural or Roof Repair
_____ Termite or Wood Rot Damage Needing Repair	_____ Hazardous or Toxic Waste
_____ Previous Termite Damage	_____ Asbestos Components
_____ Previous Termite Treatment	_____ Urea-formaldehyde Insulation
_____ Improper Drainage	_____ Radon Gas
_____ Water Damage Not Due to a Flood Event	_____ Lead Based Paint
_____ Landfill, Settling, Soil Movement, Fault Lines	_____ Aluminum Wiring
_____ Single Blockable Main Drain in Pool/Hot Tub/Spa*	_____ Previous Fires
	_____ Unplatted Easements
	_____ Subsurface Structure or Pits
	_____ Previous Use of Premises for Manufacture of Methamphetamine

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): _____

* A single blockable main drain may cause a suction entrapment hazard for an individual.

5. Are you (Seller) aware of any item, equipment, or system in or on the Property that is in need of repair? Yes (if you are aware) No (if you are not aware). If yes, explain (attach additional sheets if necessary). _____

6. Are you (Seller) aware of any of the following conditions?* Write Yes (Y) if you are aware, write No (N) if you are not aware.
____ Present flood insurance coverage
____ Previous flooding due to a failure or breach of a reservoir or a controlled or emergency release of water from a reservoir
____ Previous water penetration into a structure on the property due to a natural flood event

Write Yes (Y) if you are aware, and check wholly or partly as applicable, write No (N) if you are not aware.

- ____ Located wholly partly in a 100-year floodplain (Special Flood Hazard Area-Zone A, V, A99, AE, AO, AH, VE, or AR)
- ____ Located wholly partly in a 500-year floodplain (Moderate Flood Hazard Area-Zone X (shaded))
- ____ Located wholly partly in a floodway
- ____ Located wholly partly in a flood pool
- ____ Located wholly partly in a reservoir

If the answer to any of the above is yes, explain (attach additional sheets if necessary): _____

*For purposes of this notice:

"100-year floodplain" means any area of land that:

- (A) is identified on the flood insurance rate map as a special flood hazard area, which is designated as Zone A, V, A99, AE, AO, AH, VE, or AR on the map;
- (B) has a one percent annual chance of flooding, which is considered to be a high risk of flooding; and
- (C) may include a regulatory floodway, flood pool, or reservoir.

"500-year floodplain" means any area of land that:

- (A) is identified on the flood insurance rate map as a moderate flood hazard area, which is designated on the map as Zone X (shaded); and
- (B) has a two-tenths of one percent annual chance of flooding, which is considered to be a moderate risk of flooding.

"Flood pool" means the area adjacent to a reservoir that lies above the normal maximum operating level of the reservoir and that is subject to controlled inundation under the management of the United States Army Corps of Engineers.

"Flood insurance rate map" means the most recent flood hazard map published by the Federal Emergency Management Agency under the National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et seq.).

"Floodway" means an area that is identified on the flood insurance rate map as a regulatory floodway, which includes the channel of a river or other watercourse and the adjacent land areas that must be reserved for the discharge of a base flood, also referred to as a 100-year flood, without cumulatively increasing the water surface elevation of more than a designated height.

"Reservoir" means a water impoundment project operated by the United States Army Corps of Engineers that is intended to retain water or delay the runoff of water in a designated surface area of land.

7. Have you (Seller) ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program (NFIP)?* Yes No. If yes, explain (attach additional sheets as necessary): _____

*Homes in high risk flood zones with mortgages from federally regulated or insured lenders are required to have flood insurance. Even when not required, the Federal Emergency Management Agency (FEMA) encourages homeowners in high risk, moderate risk, and low risk flood zones to purchase flood insurance that covers the structure(s) and the personal property within the structure(s).

8. Have you (Seller) ever received assistance from FEMA or the U.S. Small Business Administration (SBA) for flood damage to the property? Yes No. If yes, explain (attach additional sheets as necessary): _____

9. Are you (Seller) aware of any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

_____ Room additions, structural modifications, or other alterations or repairs made without necessary permits or not in compliance with building codes in effect at that time.

_____ Homeowners' Association or maintenance fees or assessments.

_____ Any "common area" (facilities such as pools, tennis courts, walkways, or other areas) co-owned in undivided interest with others.

_____ Any notices of violations of deed restrictions or governmental ordinances affecting the condition or use of the Property.

_____ Any lawsuits directly or indirectly affecting the Property.

_____ Any condition on the Property which materially affects the physical health or safety of an individual.

_____ Any rainwater harvesting system located on the property that is larger than 500 gallons and that uses a public water supply as an auxiliary water source.

_____ Any portion of the property that is located in a groundwater conservation district or a subsidence district.

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): _____

10. If the property is located in a coastal area that is seaward of the Gulf Intracoastal Waterway or within 1,000 feet of the mean high tide bordering the Gulf of Mexico, the property may be subject to the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63, Natural Resources Code, respectively) and a beachfront construction certificate or dune protection permit maybe required for repairs or improvements. Contact the local government with ordinance authority over construction adjacent to public beaches for more information.

11. This property may be located near a military installation and may be affected by high noise or air installation compatible use zones or other operations. Information relating to high noise and compatible use zones is available in the most recent Air Installation Compatible Use Zone Study or Joint Land Use Study prepared for a military installation and may be accessed on the Internet website of the military installation and of the county and any municipality in which the military installation is located.

Signature of Seller Date Signature of Seller Date

The undersigned purchaser hereby acknowledges receipt of the foregoing notice.

Signature of Purchaser Date Signature of Purchaser Date



This form was prepared by the Texas Real Estate Commission in accordance with Texas Property Code § 5.008(b) and is to be used in conjunction with a contract for the sale of real property entered into on or after September 1, 2019. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>) TREC NO. OP-H

EXHIBIT 4
NATURAL RESOURCES
DEFENSE COUNCIL'S
NC UTILITY SURVEY

Natural Resources Defense Council

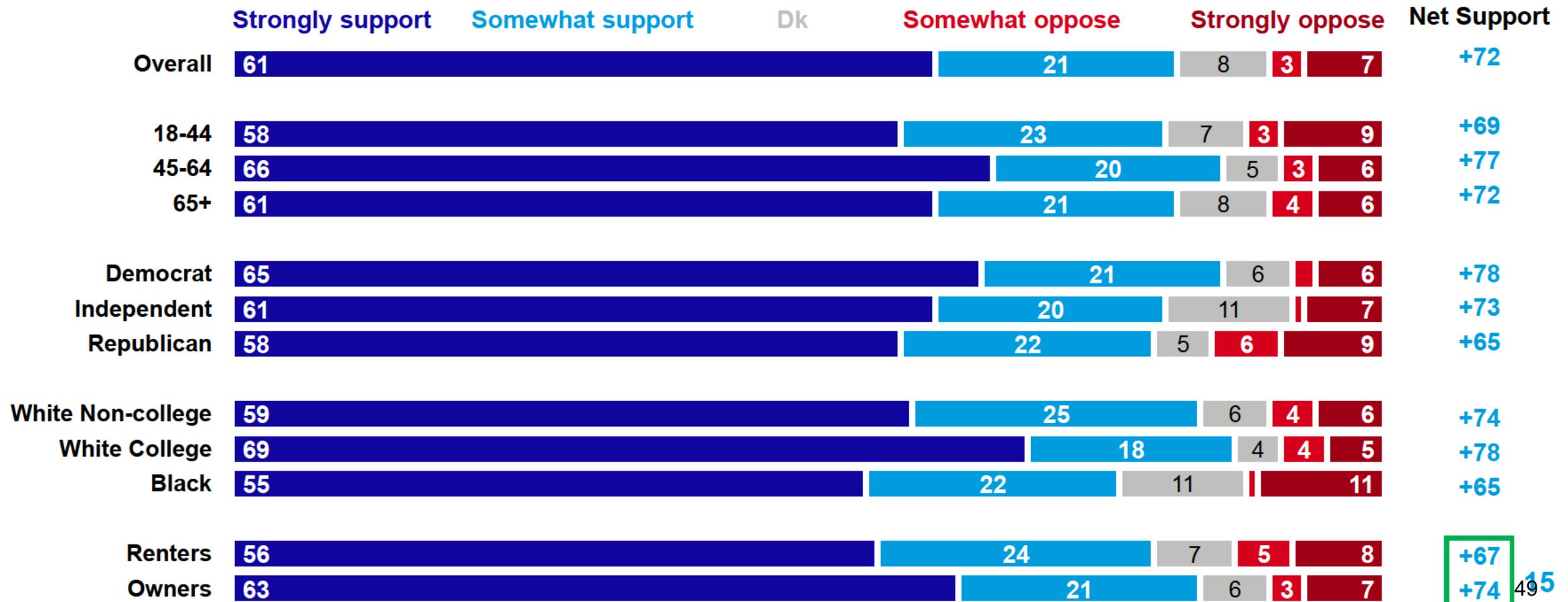
NC Utility Survey



Flood Disclosure

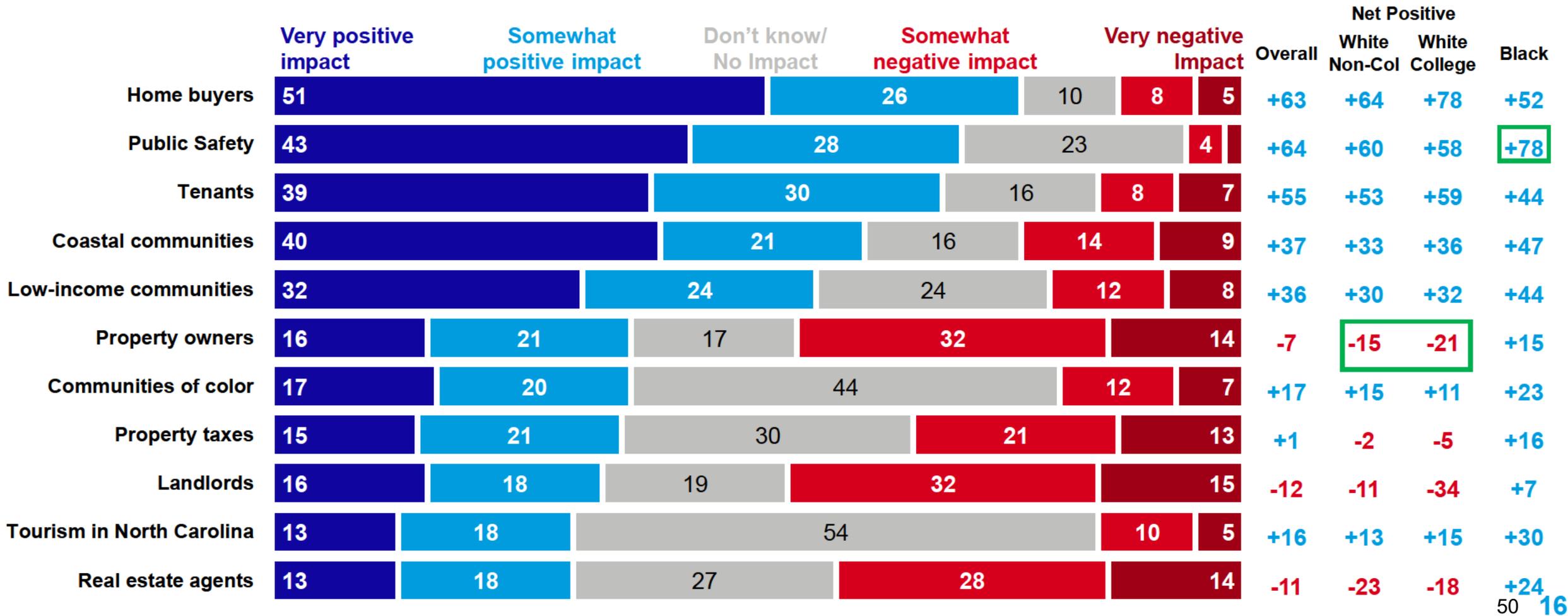
Over eight in ten North Carolina voters support flood disclosure, with strong support across partisans and among renters and owners

Do you support or oppose changing North Carolina law to require property owners to disclose a home's flood history to prospective buyers and tenants?



Voters see flood disclosure has benefitting home buyers, tenants, public safety, and coastal communities, but there is some concern about the impact on property taxes and owners

If North Carolina required property owners to disclose a property's flood history to prospective buyers and tenants, what impact do you think it would have on [ITEM]?



Support for flood disclosure withstands the counter argument focused on costs and regulations

Which statement is closest to your view?

This policy is the right thing to do because it will allow tenants and buyers to have full knowledge of the condition and history of the property...

Don't know

This policy is the wrong thing to do because it will add more burdensome regulations...



This page is left blank intentionally.

A: Probably, but not always. You may be able to purchase a flood insurance policy (separate from a standard homeowner's policy). The National Flood Insurance Program (NFIP) makes flood insurance available nationwide to eligible properties. NFIP policies are written by private insurance companies for a processing fee, and based on federally-mandated terms and costs. Discounts on annual premiums are available for buildings in some flood zones if constructed above the minimum floor elevation standards. To determine if NFIP insurance is available in your area, contact your insurance agent or see N.C. flood maps online at: <http://www.ncfloodmaps.com/>.

For elevation discounts and tips on rating existing buildings, see: http://www.ncfloodmaps.com/pubdocs/grandfathering_letter.pdf.

Determine the availability and cost of flood insurance in advance, and any limits on coverage. Private insurance coverage may be available for excess flood coverage or property not eligible for the NFIP.



Q: Is flood insurance mandatory for coastal property?

A: Sometimes. If the property is in an identified flood-prone area, federally insured lenders, including most banks, savings & loans and mortgage lenders, are required to have the building owner provide proof of flood insurance coverage for the life of the lien.

Outside flood-prone areas, lenders still may require flood insurance to protect their lien and may declare the balance of the loan due and payable if

coverage is not maintained. If a loan is not federally insured or there is no loan, no law requires flood insurance.

Flood-prone areas are identified on Flood Insurance Rate Maps. (See above for sources.) Even if not required, when building or buying near the ocean, flood insurance is always a good idea.

[For information about flood insurance and discounts, contact your local building official, insurance agent, the North Carolina Floodplain Mapping Program or the National Flood Insurance Program.]

Q: What are the limitations of flood insurance?

A: Federal flood insurance covers only building and contents damage—including damage from waves—caused by flooding. Technically, damage caused by chronic, long-term erosion is not directly covered unless it occurs during a storm event.

Federally-backed flood insurance coverage does not cover damage to the land caused by flood, waves or erosion. Therefore, much of the purchase price for oceanfront property is not insured if the land erodes.

When a building is so damaged that it cannot be repaired or rebuilt, flood insurance may be inadequate to cover the cost of removing the structure and/or repaying the loan. Even if the building is undamaged, erosion that makes the lot “unbuildable” for new construction may cause the property value to significantly decline.

Q: Should a prospective buyer inquire about flood insurance premiums before buying?

A: Yes. Congress amended the NFIP in 2012 and 2014. Additional amendments are under consideration. Annual premiums for some buildings have been raised significantly. It has been proposed to deny coverage to some buildings with higher claims. It is impossible to predict when or if Congress will modify the NFIP or how those changes may affect annual premiums. Additionally, all 20 of North Carolina's coastal counties are scheduled to get new flood maps in 2018. The best advice for a

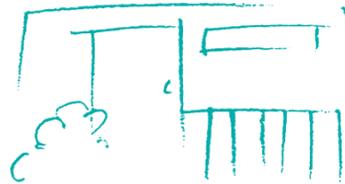
prospective buyer is to research this issue thoroughly before making a purchase decision.

Q: Can I get insurance for wind damage to coastal property?

A: Probably. Because of the high risk in coastal areas, some private insurance companies exclude coverage for wind damage. For that reason, the N.C. Department of Insurance has established the Coastal Property Insurance Pool, formerly known as the “Beach Plan,” to provide wind coverage in areas where it is not otherwise available.

Residential Windstorm Mitigation Credits are available at varying levels for several types of roof construction and re-roofing. Refer to the NC Joint Underwriting Association/ NC Insurance Underwriting Association-Coastal Property Insurance pool for further information. (<https://www.ncjuanciua.org>)

[For more information about the Beach Plan or homeowner's policy coverage, contact your insurance agent or the North Carolina Department of Insurance.]



Q: Can I rebuild or repair my building if it is damaged by a coastal storm, fire or other hazard?

A: Maybe. If the damage is less than 50 percent of the building's market value immediately prior to the damage, you may be able to repair it at its original location. However, if the building is more than 50 percent damaged, repairs must meet the latest setback requirements, floodplain regulations and other building code requirements. Permits are required, as if it were new construction. In addition, repair or replacement on the lot would be prohibited if erosion has left insufficient space to meet the setback at that time.

Purchasers should determine if the lot and building presently meet the setback for new construction and eligible for a replacement building, keeping in mind the risk that erosion may make the lot unbuildable in the future.

ADDITIONAL INFORMATION :

- **North Carolina Division of Coastal Management**
252-808-2808 / 1-888-4RCAST (1-888-472-6278)
www.nccoastalmanagement.net
- **North Carolina Real Estate Commission**
(919) 875-3700
www.ncrec.gov
- **North Carolina Department of Insurance**
For general information: 1-800-546-5664
<http://www.ncdoi.com/>
“Beach Plan” information: 1-800-662-7048
<http://www.ncjua-nciua.org/>
- **National Flood Insurance Program**
<http://www.ncfloodmaps.com/>
<http://www.floodsmart.gov/floodsmart/>
- **Local Building Officials**
Call the local town hall or county municipal building.

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UNC-SG-96-10



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Questions and Answers on: PURCHASING COASTAL REAL ESTATE IN NORTH CAROLINA



A publication of the North Carolina Real Estate Commission

Questions and Answers on: PURCHASING COASTAL REAL ESTATE IN NORTH CAROLINA

Looking for property near the ocean? With almost 330 miles of ocean shoreline, North Carolina boasts some of the most spectacular beaches in the nation. But before buying, you should be aware of other factors that accompany the pleasures of owning property near the beach.



Most oceanfront real estate in North Carolina is located on barrier islands. These narrow strips of land between the sea and sound are particularly vulnerable to ocean forces such as storms and beach erosion that can threaten your prospective property and undercut its value.

This brochure focuses on questions you should ask as a potential purchaser of coastal real estate, whether you are considering an undeveloped lot or an existing building.

Q: What unusual hazards can affect real estate along ocean shorelines?

A: Real estate near the ocean or an inlet is at risk for shoreline erosion. The property boundary adjacent to the water is influenced by forces of nature and changes from day to day and year to year.

Q: What causes shoreline erosion?

A: Shoreline erosion is caused by many factors including seasonal fluctuations in the width of the beach, storm-induced erosion, long-term erosion, a gradual rise in sea level, and inlet migration/oscillations.

Generally, North Carolina's beaches are seasonally narrower in the stormy fall and winter months. The mean high water line may move landward temporarily by 75 to 100 feet during the stormy season. This "seasonal" erosion usually recovers for the summer tourist season.

A severe storm can cause dune erosion between 25 and 150 feet. While much of the storm-induced dune erosion may be temporary, it can sometimes take years or even decades for the dunes to recover.

Chronic, long-term erosion is the accumulation of many causes which result in the permanent loss of sand from the beach and dune. Some sand may be lost offshore in the worst storms. Storm waves may also overwash low islands, moving sand to the backside of the island and into the bay, where sand may also be trapped by the inlets.

A gradual rise in sea level also contributes to shoreline erosion. Sea level in North Carolina has risen 1 to 1.5 feet over the last century and could increase an additional 2 to 11 inches by 2045. By 2100, sea level may rise more than 3 feet. Ocean beaches react to sea level rise by eroding farther inland.

Tidal inlets between the barrier islands also can be extremely volatile. A few of North Carolina's inlets persistently migrate in one direction at over 100 feet per year. Inlets also can cause the ocean shoreline for some distance away from the inlet to oscillate, as first one side and then the other side traps sand and builds dunes as the other erodes over years or decades.

Q: What is the typical erosion rate of a North Carolina shoreline?

A: North Carolina Division of Coastal Management studies show an average long-term erosion rate of approximately 1.6 feet annually for the entire coast over the last 70 years. Some areas have lost over 13 feet per year. Ocean shorelines near

inlets and inlet shorelines usually experience the greatest fluctuations, on the order of 10 times non-inlet erosion rates for a decade or longer.

[For information on erosion rates, contact the N.C. Division of Coastal Management or the local permitting office.]

For erosion rate maps: http://www.nccoastalmangement.net/Maps/SB_Factor.htm

For shoreline change maps and inlets: http://www.nccoastalmangement.net/Maps/shoreline_mapintro.htm



Q: Will I automatically be informed about erosion, erosion rates and oceanfront building setbacks?

A: Not necessarily. North Carolina law does not specifically require that the information be disclosed to buyers other than the original builder. Purchasers should be sure to research coastal hazards and their potential impact on the property.

If you are working with a licensed real estate broker, the broker has a duty to disclose material facts that the broker knows or reasonably should know. Although real estate brokers may not always know the erosion rates or setback location for particular oceanfront properties, they should advise you of the possibility of erosion and direct you to available sources of information. If the broker knows the erosion rate or building setback for a particular property, the broker should disclose it to you.

Q: If I purchase undeveloped oceanfront property, where should I build on the lot?

A: North Carolina regulations require that new construction

be a certain distance or setback from the ocean. The setback is measured landward from the line of stable, natural vegetation nearest the sea, usually near the base of the frontal dune. Other restrictions also may apply. Local permit officers can locate the minimum setbacks on your lot.

Purchasers should note that the required setback does not guarantee a safe location. In fact, it implies that if erosion occurs as expected, a new building could be sitting on the beach or destroyed in 30 years (about the time the structure is paid for under a traditional 30-year mortgage). Because the ocean shoreline is eroding, it may be in your best interest to build farther landward than the minimum distances allowed.

Q: What building construction features help reduce or prevent storm damage?

A: Several features can prevent or substantially reduce the likelihood of damage from severe storms or erosion. Piling foundations can raise the first floor above expected flood elevations and waves. Avoiding the storm surge and waves is critical for storm survival. Determine the floor elevation relative to local flood predictions. Higher elevations are safer.

Embedding the tip of pilings deeper than five feet below sea level can help a building stand during temporary storm-induced dune erosion episodes and long-term erosion.

Building code changes in 1986 make it more likely that later oceanfront buildings will have deeper foundations. Purchasers should consider researching the depth of the existing pilings relative to the depth of potential erosion.

Any walls constructed between pilings should be designed to break away when hit by waves without damaging the elevated building. Generally, the enclosed space in the floodplain may be used only for parking, storage or access to the elevated building but may not be used for living area.

The wind resistance of the building depends on good connections from the peak of the roof to the bottom of foundation. The resistance of all the exterior surfaces to

wind-blown water is also critical to reduce interior damage. Wind-blown debris damage can be reduced by storm shutters or impact-resistant glass. Consider hiring an inspection professional to determine if the building meets the present building codes or can be improved to meet them. Discounts on your homeowners insurance may be available for some building features.

See: <http://www.ncrb.org/Portals/0/ncrb/circular%20letters/property/P-10-10%20-%20Intro%20of%20Hurricane%20Mitigation%20Credits%20-%20HO%20and%20Dwg.pdf>

Sand dunes also provide significant protection from erosion and waves during severe storms. Generally, the bigger the dune and the farther landward it is located, the more storm protection it offers. However, it is important to understand that sand dunes offer little protection from long-term erosion. For more details on dune protection and erosion see the Dune Book: https://ncseagrant.ncsu.edu/ncseagrant_docs/products/2000s/dune_book.pdf.



Q: If my oceanfront property becomes threatened by erosion can I:

(1) Construct a seawall?

A: No. Seawalls, bulkheads, revetments, groins, jetties or breakwaters are generally not allowed along the ocean beaches of North Carolina. These "hardened" erosion-control devices can damage the beach and adjacent properties.

(2) Construct temporary erosion-control structures such as sand bags?

A: If a building is imminently threatened by erosion, a

property owner may be permitted to place large sandbags or build artificial sand dunes for temporary protection to allow the building to be relocated or until short-term erosion has reversed.

Both size and time limits are placed on each temporary sandbag structure.

[For information on site-specific erosion control projects, contact your local permit officer or the N.C. Division of Coastal Management.]

(3) Replenish the eroding shoreline by placing sand from an outside source onto my property?

A: Yes. Beach nourishment may be permitted in North Carolina. However, it provides only temporary relief and requires regular additions of sand for maintenance. To be effective, it must extend beyond the beach in front of a single property, generally along a mile or more of shoreline. It is, therefore, a community solution, rather than an individual property owner solution.

(4) Move my house away from the eroding shoreline?

A: Yes. If space allows, a structure can be moved landward on the same lot, or it can be relocated to a new property. If the building is relocated with private funds, it must be relocated the maximum feasible distance landward on the present property. If relocated with public funds, it must meet the current setback requirements.

(5) Be required to move my house away from the eroding shoreline?

A: Yes. As of 1993, new development permits for oceanfront buildings require owners to move or dismantle erosion-threatened buildings (buildings that are less than 20 feet from the line of stable dune vegetation nearest the sea), unless natural shoreline recovery or beach nourishment takes place within two years and the structure is no longer threatened.

[For information on site-specific erosion control projects, contact your local permit officer or the N.C. Division of Coastal Management.]

Q: Can I get insurance for damage resulting from erosion and flooding?

Continued

North Carolina Coastal Hazards Disclosures in Real Estate Transactions

Anderson Tran

May 12, 2021

I. Introduction

The North Carolina Real Estate Commission's residential property disclosure statement should be updated to provide better notice of coastal hazards when buying a coastal home. Such an update would better protect consumers, while also increasing resiliency for North Carolina's coastline. Many other states require these coastal hazard disclosures, and North Carolina should follow suit to effectively serve its vast coastline.

II. A Survey of Other States' Disclosure Requirements Indicated That A Number of Coastal States Have More Effective Disclosure Requirements

Surveying the disclosure requirements of the thirteen other Atlantic Coast states reveals that six already have some form of coastal hazards requirement for residential real estate transactions. Notably, South Carolina and Florida have very effective coastal hazard disclosure language built into their residential disclosure statements. South Carolina and New Jersey are even in the process of revising their disclosure requirements to be more effective. In addition, Texas and the Great Lakes states of Ohio and Wisconsin have effective disclosure requirements, and Maryland and Hawaii have had proposals in their state legislatures to require such disclosures. West Coast states like California and Oregon encourage their municipalities to require these disclosures.

Effective disclosures are those where the prospective purchaser receives notice of 1) flooding risks; 2) erosion of the property; and 3) specific coastal zoning regulations that may affect the property. First, an ideal disclosure statement would have specific references to coastal flooding—as opposed to general flooding. Most disclosure statements have a question asking

whether flooding is an issue on the property, or if the property is located within a Federal Emergency Management Agency ('FEMA') designated flood zone. While this is helpful, it may fail to address the serious flooding issues that come as a result of storm surge or anticipated sea-level rise. Texas' statement is a powerful example, including a substantial section on flooding, and New Jersey is planning to update their form to include considerations of sea-level rise.

Second, erosion is a major issue for many beachfront properties, and is often the reason for restrictive administrative regulations. North Carolina's Division of Coastal Management ('DCM') designates oceanfront areas as Ocean Erodible Areas of Environmental Concern based on the erosion rate at points along the beach, and also identifies similar Inlet Hazard Areas of Environmental Concern, where erosion is particularly high and increased precautions must be taken.¹ Setbacks are used in these areas to keep development from being initially built too close to the ocean. Furthermore, sandbags have been commonly used in North Carolina to manage erosion, however they can only be placed once.² A homebuyer will want to know whether that measure is available to them after closing, and whether the property has had an issue with erosion that has been "fixed." Effective language will inquire as to whether erosion measures have been taken in the past—not just whether there are erosion issues evident on the property currently. Like with flooding, many disclosure statements only address "soil stability" or "earth sliding/settling." While these questions may tip off the most prudent homebuyer, a statement with specific regard to "erosion" or "coastal erosion" is unambiguous for both the seller filling out the statement and the purchaser reading it over. Ohio's disclosure form makes a model reference to their Lake Erie Coastal Erosion Area—highlighting erosion for consumers.

¹ 15A N.C.A.C. 07H .0304(1).

² See 15A N.C.A.C. 07M .0202(e)

Finally, the most effective disclosure statements make reference to the specific coastal regulations that may affect a property. Again, most disclosure statements inquire as to whether a property is in violation of any zoning restrictions, but few ask whether a property is nonconforming with local zoning or any other setback-type regulations. A general statement inquiring into nonconformity is important to include for properties across the entire state for any administrative regulations. However, even a nonconformity inquiry can fail to give notice to potential homebuyers of materially significant restrictions about what can be developed or rebuilt on coastal properties. Without notice of the specific coastal regulations, many homebuyers can be frustrated to find this out after closing on the home unless they took more extensive due diligence steps before closing. Florida, South Carolina, and Texas all have very specific references to these coastal regulations within their disclosure statements.

Texas' requirements create an almost ideal coastal disclosure statement. As mentioned above, Texas' standard disclosure statement specifies relevant areas and makes reference to the State's Open Beaches and Dune Protection Acts—and states that specific permits may be required for repairs or improvements. In addition, an addendum is required for the sale of all properties located seaward of the Gulf Intracoastal Waterway.³ The addendum is dedicated to, and makes extremely clear, the economic risks of purchasing coastal real property near a beach, and that those risks fall upon the buyer. This addendum, in conjunction with Texas' standard disclosure statement, provide strong notice to potential homebuyers of the risks involved in purchasing a coastal property.

³ Texas Natural Resource Code § 61.025.

III. North Carolina's Real Estate Disclosure Statement Should be Updated to Include Specific Language for Coastal Hazards

A. Ideal Requirements Would Mirror and Build on Texas' Requirements

The North Carolina Real Estate Commission ('REC') periodically updates the residential property disclosure form. There does not appear to be a set schedule for when revisions are made, and it appears that the REC revises based on specific needs such as when needed based on new issues. In fact, REC is set to amend the statement to include the age and fuel type of water heater and internet access availability on July 1, 2021.⁴ A separate section or addendum on the current residential disclosure form should have the following, coastal-specific, language:

- Is there any issue with erosion that affects the property, or have any erosion control measures been taken on the property?
- Is the property subject to flood hazards, including federally designated flood hazard areas, storm surge, or anticipated future sea-level rise?
- Does the property to be conveyed have any nonconforming uses? A nonconforming use is one that existed lawfully before current zoning ordinances, but would now not conform to current zoning restrictions and would not be able to be rebuilt.
- Is any part of the property located within the Ocean Erodible or Inlet Hazard Areas of Environmental Concern and subject to the administrative rules of the North Carolina Coastal Resources Commission?
- Property located within the Ocean Erodible Areas or Inlet Hazard Areas of Environmental Concern are subject to significant restrictions that would require permitting to repair, improve, or build new structures due to the effects of natural coastal processes. The buyer of a coastal property assumes this economic risk by purchasing a home within one of these areas.

Additionally, a resource should be made easily available to definitively look up whether a property sits within either the Ocean Erodible Areas or Inlet Hazard Areas of Environmental

⁴ Residential Property and Owners' Association Disclosure Statement, 35 NC Register 11 (proposed Dec. 15, 2020) (to be codified at 21 N.C.A.C. 58A .0114).

Concern. This language, partitioned from the rest of the residential property disclosure statement, will provide improved notice to potential homebuyers of the risks that come with buying property on a North Carolina beach.

B. In the Alternative, Adjustments to the Current Disclosure Questions Need to Be Made To Ensure the Statement Effectively Covers Coastal Hazards

North Carolina's current residential disclosure lacks effective notice to consumers on coastal hazards. At least some simple adjustments or additions to existing questions are needed to drastically improve the level of notice given to potential homebuyers on coastal hazards.

Specifically:

Question 22 currently reads: "Is there any problem, malfunction or defect with the drainage, grading or soil stability of the property?"

To be amended as "Is there any problem, malfunction, or defect with the drainage, grading, **erosion**, or soil stability of the property, **or have any previous measures been taken to address such issues?**"

Question 24 currently reads: "Is the property to be conveyed in violation of any local zoning ordinances, restrictive covenants, or other land use restrictions, or building codes (including the failure to obtain proper permits for room additions or other changes/improvements)?"

To be amended as "Is the property to be conveyed in violation of, **or nonconforming to**, any local zoning ordinances, restrictive covenants, or other land use restrictions, or building codes (including the failure to obtain proper permits for room additions or other changes/improvements)?"

Question 29 currently reads: "Is the property subject to a flood hazard or is the property located in a federally-designated flood hazard area?"

To be amended as "Is the property subject to a flood hazard, **including coastal storm surge or anticipated sea-level rise**, or is the property located in a federally-designated flood hazard area?"

An additional question should be added to include coastal administrative regulations and should read as follows:

Is any part of the property located within the Ocean Erodible Areas or Inlet Hazard Areas of Environmental Concern and subject to the administrative rules and permitting requirements of the North Carolina Coastal Resources Commission?

The additional question disclosing coastal administrative regulations needs to be included to sufficiently address the three major coastal hazards, and does not reasonably fit within any question already present on the current disclosure statement. Although more specific language, and an entirely separate section, would provide substantially better notice to purchasers, these revisions represent the bare minimum to disclose coastal hazards without major revisions to the language of the current form.

IV. A G.I.S. Tool Can Be Made Available for Easy Reference As to Whether A Property Falls Within an Area of Environmental Concern

The Ocean Erodible Areas of Environmental Concern are determined by a formula that determines a distance from the vegetation line on the beach based on erosion rates at each point along the beach.⁵ Mapping technology could be housed on the Division of Coastal Management's website for easy, and quick, access for both home buyers and sellers to determine if the property at issue is located in one of these jurisdictional areas. A beta tool has been created that would allow people to look up their property by parcel address and determine whether any part of the property sits within either of the Ocean Erodible or Inlet Hazard Areas of Environmental Concern. The tool runs through an online platform, and can be accessed by anyone with a computer and internet access. If needed, this tool can be finalized and made available to the public for use in these coastal real estate transactions—removing the inconvenience involved in determining these jurisdictional areas.

⁵ 15A N.C.A.C. 07H .0304(1).

V. Conclusion

Consumer protection of potential coastal property buyers is harmed by the lack of effective coastal hazard disclosures in real estate transactions. North Carolina's current residential disclosure statement falls behind the national standard, but can fairly easily be revised to better address specific coastal hazards like flooding and erosion, and to make potential buyers better aware of coastal property specific administrative regulations.

Links to Referenced States' Disclosure Forms

North Carolina - <https://www.ncrec.gov/Forms/Consumer/rec422.pdf>

South Carolina - <https://llr.sc.gov/re/recpdf/Property%20Condition%20Disclosure%20Statement.pdf>

Texas - https://www.trec.texas.gov/sites/default/files/pdf-forms/OP-H_1.pdf

Texas (Addendum) - <https://www.trec.texas.gov/sites/default/files/pdf-forms/34-4.pdf>

Florida - <http://www.unlimitedmls.com/forms/Property-Disclosure-Form.pdf>

Ohio - <http://www.mctainc.com/resdiscl.pdf>

Wisconsin - <https://kbt-pub.s3.amazonaws.com/WWW/forms/documents/d013c4cd-4863-4c4f-9e3c-064b8ec709730.pdf>

State/Territory	Region	Disclosure Requirement?
Minnesota	Great Lakes	
Wisconsin	Great Lakes	Yes
Michigan	Great Lakes	
Ohio	Great Lakes	Yes
Illinois	Great Lakes	
Indiana	Great Lakes	
Pennsylvania	Great Lakes	Yes
Vermont	Great Lakes	
New York	Great Lakes/North Atlantic	Yes
Maryland	North Atlantic	No
Delaware	North Atlantic	Yes

New Jersey	North Atlantic	Yes
Connecticut	North Atlantic	No
Rhode Island	North Atlantic	Yes
Massachusetts	North Atlantic	No
New Hampshire	North Atlantic	No
Maine	North Atlantic	No
Georgia	Southeast	No
South Carolina	Southeast	Yes

North Carolina	Southeast	No
Virginia	Southeast	No
Florida	Southeast/Gulf of Mexico	Yes
Texas	Gulf of Mexico	Yes
Louisiana	Gulf of Mexico	No
Mississippi	Gulf of Mexico	No

Alabama	Gulf of Mexico	No
California	West Coast	No
Oregon	West Coast	No
Washington	West Coast	
Hawaii	Pacific	No
Guam	Pacific	No
Marianas Islands	Pacific	No

Statute/Regulation	Link to Law
Wis. Stat. § 709	https://casetext.com/statute/wisconsin-statutes/property/chapter-709-disclosures-by-owners-of-real-estate
Ohio Revised Code § 5302.30; Ohio Revised Code § 1506.06 et al	http://codes.ohio.gov/orc/1506; https://codes.ohio.gov/orc/5302
68 Pa.C.S. §§ 7301-7314; 49 Pa. Code § 35.335	http://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/049/chapter35/s35.335a.html&d=reduce
N.Y. Real Prop. Law §§ 460-67	https://www.nysenate.gov/legislation/laws/RPP/462
Maryland Real Property § 10-702	https://codes.findlaw.com/md/real-property/md-code-real-prop-sect-10-702.html
6 Delaware Code § 2573	https://delcode.delaware.gov/title6/c025/sc07/index.shtml

NJ Stats. 46 § 3C-10; N.J.A.C. 7:13-5.6	https://law.justia.com/codes/new-jersey/2013/title-46/section-46-3c-10/ ; https://www.nj.gov/dep/rules/rules/njac7_13.pdf
CT Gen. Stat. § 20-327b	https://law.justia.com/codes/connecticut/2018/title-20/chapter-392/section-20-327b/
R.I. Gen. Laws § 5-20.8-2(b)(2)	http://webserver.rilin.state.ri.us/Statutes/TITLE5/5-20.8/5-20.8-2.HTM
n/a	
n/a	
33 M.R.S. § 173	https://legislature.maine.gov/statutes/33/title33sec173.html
O.C.G.A. § 44-1	https://law.justia.com/codes/georgia/2010/title-44/chapter-1/
SC Code § 48-39-330	https://www.scstatehouse.gov/code/t48c039.php

<p>N.C. Gen. Stat. § 47E-4; 21 N.C.A.C. § 58A .0114</p>	<p>https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_47E.html#:~:text=%C2%A7%2047E%20D4.,Required%20disclosures.&text=(2)%20State%20that%20the%20owner,in%20the%20real%20estate%20contract.; http://reports.oah.state.nc.us/ncac/title%2021%20-%20occupational%20licensing%20board/</p>
<p>Code of Virginia § 55-519</p>	<p>https://vacode.org/55-519/</p>
<p>Florida Statute § 161.57</p>	<p>http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0161/Sections/0161.57.html</p>
<p>Texas Natural Resource Code § 61.025</p>	<p>https://statutes.capitol.texas.gov/Docs/NR/htm/NR.61.htm</p>
<p>n/a</p>	
<p>n/a</p>	

n/a	
California Civil Code § 1102.6	
O.R.S. 105.464	
n/a	
n/a	
n/a	

Disclosure Form	Notes on Disclosure Language	Proposals?
https://kbt-pub.s3.amazonaws.com/WWW/forms/documents/d013c4cd-4863-4c4f-9e3c-064b8ec709730.pdf	F9 - [Is the property subject to WDNR shoreland zoning ordinances, obligating owner to establish certain shoreland condition measures?]	n/a
http://www.mctainc.com/resdiscl.pdf	Item J - [Is the property located in a designated flood plain or the Lake Eries Coastal Erosion Area?]	n/a
https://www.dos.pa.gov/ProfessionalLicensing/BoardsCommissions/RealEstateCommission/Documents/Board%20Documents/Sellers%20Property%20Disclosure%20Statement.pdf	13(ii),(iv) - asks about erosion, earth stability, drainage/flooding	n/a
https://www.dos.ny.gov/forms/licensing/2018/1614-f.pdf	10 & 11 - Asks whether it is in a designated floodplain or wetland	n/a
https://www.dllr.state.md.us/forms/propertydanddform.pdf		2018 bill attempted to require notice based on SLR, Maryland Realtors had disclosure portion of bill struck before passing
https://dprfiles.delaware.gov/realestate/DREC_Property_Disclosure_Condition_Report.pdf	Sections III & VI - Zoning regulations ("non-conforming" and "setback violations") and standard earth movement/erosion and flooding	n/a

http://dlalexander.com/forms/NJSellersDisclosure.pdf	Line 186, 193 - Standard floodzone questions; under Misc. asks about "non-conforming uses, or set-back violations"	n/a
https://portal.ct.gov/-/media/DCP/pdf/2019-Residential-Property-and-Foundation-Condition-Reports-Effective-October-1-2019-04.pdf		
http://www.providenceeastside.com/dynamic/content/1402/SALES%20DISCLOSURE.pdf	19 & 24 - Zoning disclosures about "non-conforming" and whether it is in a "wetland" that "may impact future property development"	n/a
		Bill H.2196 in 2017 (link available)
		n/a
https://llr.sc.gov/re/recpdf/Property%20Condition%20Disclosure%20Statement.pdf	Section V & Addendum - Requires disclosure of zoning restrictions, wetlands, and then whether the property is subject to the SC CZMA.	n/a

https://www.ncrec.gov/Forms/Consumer/rec422.pdf	<p>29 - asks whether there is a flood hazard or in a federally-designated flood hazard area</p>	<p>Last attempt ~15 years ago, Real Estate industry blocked over technological difficulties</p>
https://www.dpor.virginia.gov/sites/default/files/Consumer/REB%20DISCLOSURE_Acknowledgement%20%20(1).pdf		
http://www.unlimitedmls.com/forms/Property-Disclosure-Form.pdf	<p>3 & 10 - disclosure of flood hazards, "seaward of the coastal construction line" and whether zoning/administrative regs conflict with use or improvements/replacement of property</p>	<p>n/a</p>
https://www.trec.texas.gov/sites/default/files/pdf-forms/OP-H_1.pdf	<p>6, 7, 8, and 11 - Lengthy section on flood disclosures, followed by an educational point about coastal properties potentially being subject to TX Open Beaches Act or Dune Protection Act + Addendum for property located seaward of Gulf ICW</p>	<p>n/a</p>
		<p>n/a</p>
http://www.mrec.ms.gov/docs/mrec_forms_PCDS2017FINAL-LETTERWITHNUMBERS.pdf		

		n/a
		n/a
		Various bills proposed.. Economic/realtor concerns holding up
		Bill 29-36
		n/a

Notes
Nothing specifically "coastal" but includes flood zones, wetland, or shoreline zoning, as well as any other defects "such as . . . Grading problems; excessive sliding, settling, earth movements . . . Or any other defect or material condition
Coastal erosion area
Similar to WI -- nothing specific to "coastal" but covers flood/wetland and earth movement/stability
Sellers can opt to pay a \$500 credit to their buyer instead of disclosing, and many, "if not most" take this route
Disclosures for "flood zone, conservation area, wetland area, Chesapeake Bay critical area . . ."
Not specific to "coastal" but covers flood/wetland zones and earth movement/stability (even in surrounding neighborhood)

Yes:	10
No:	16
Unanswered:	6

Disclosure for flood zone, but also riparian land. Additional rulemaking currently proceeding that will address SLR

Form has disclosures for "flood hazard area or an inland wetlands area"

Considered "wetlands" as determined by dep't of envtl. Management

MA Coastal Erosion Commission has engaged with realtors to increase awareness, but no formal disclosure of coastal hazards

Has no disclosure requirements -- must answer questions truthfully

Ongoing conversations about enhancing disclosures for beachfront properties

Rulemaking proposed to add, onto form, disclosure of water heater age and type as well as internet accessibility

Language says "owner *makes no representation*" as to . . . And no mention of coastal

Has its own subsection for "coastal properties disclosure statement"

Very specific to coastal and has a separate addendum for property located seaward of the Gulf ICW

Encourage municipal governments require disclosures.. None have done yet

Requires "geologic hazards" and State will help local governments create hazard disclosures (generally tsunami) but generally not adopted

GIS maps, including SLR and and tax identifiers have been created