NORTH CAROLINA REAL ESTATE COMMISSION

November 8, 2023 • 9:00 AM • 1313 Navaho Dr.
Raleigh, NC 27616

AGENDA

Meeting Schedule:

Tuesday: 10:00 - Character Conferences (Aceto, Ramseur, alt. Bullard)

Wednesday: 9:00 - Commission Meeting

Wednesday: 1:00 - Hearing (Panelists Malarney, Aceto, Black, Bullard, Lindsey, Mallette, O'Connor, Ramseur)

Exhibits:

1. Consent Agenda
2. License Applications
3. Character Conference Recommendations
4. Financial Report
5. Regulatory Report
6. Legislative Report
7. Proposed Residential Property and Owners' Association Disclosure Statement
8. General and BIC Update Course Topics
9. Proposed Budget and Agenda for the Educators Conference
10. *Durham home lists for $355K — 25% below market value. Here's the catch.* – News Observer
11. Articles re: NAR Lawsuits

I. PRELIMINARY MATTERS

1. Call to Order and Roll Call of Members Present [Malarney].

2. Welcome guests [Malarney].

3. **The Commission's Mission:**
   - *To protect the public interest in real estate brokerage transactions.*
   - *To assure that applicants are competent and possess the requisite character and fitness to act as real estate brokers.*
   - *To assure that licensees comply with the Real Estate License Law and Commission rules.*
   - *To identify and address issues affecting real estate consumers and licensees.*
   - *To effectively and efficiently administer Commission programs and operations.*

4. **ETHICS AWARENESS & CONFLICT OF INTEREST REMINDER**
   "In accordance with the provisions of the North Carolina State Government Ethics Act, it is the duty of every Commission member to continually monitor, evaluate, and manage his or her personal, financial, and professional affairs to ensure the absence of conflicts of interest or the appearance of conflicts with his or her public responsibilities as a member of the North Carolina Real Estate Commission. Further, every Commission member should avoid both actual conflicts of interest and the appearance of conflicts in the way he or she conducts himself or herself as a member of the Real Estate Commission. If any Commission member has any known conflict of interest or appearance of conflict with respect to any matters coming before the Commission at this meeting, the member shall identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved."

II. CONSENT AGENDA

1. **Consider** Consent Agenda items [Baer, **Exhibit 1**].

III. LICENSE APPLICATIONS:

1. **Consider** license applications [Dixon, **Exhibit 2**].

2. **Consider** character conference recommendations [Dixon, **Exhibit 3**].

3. Tuesday, December 12 character conference panel – Mr. Lindsey and Mr. Fox (Ms. O'Connor, alt.).

IV. ADMINISTRATION

1. Discuss availability for the December 13 meeting [Baer].
2. Discuss availability for the December 13 and 14 hearings [Thoren].
3. Review Granicus board meeting software [Gore].
4. Report on a personnel matter [Baer - **closed session** pursuant to NCGS § 143-318.11(a)(5)].

V. FINANCIAL

1. Receive Monthly Financial Report for the period ending October 31, 2023 [Ricard, **Exhibit 4**].

VI. REGULATORY AFFAIRS

1. Regulatory Report [Thoren, **Exhibit 5**].
2. Settlements [Thoren].
3. Legislative Report [Thoren, Exhibit 6].
4. Update on Donovan v. Excel Property Management, et al.; 23-CVS-001591 [Brown].
5. **Consider** Proposed Residential Property and Owners' Association Disclosure Statement [Vuotto, **Exhibit 7**].

VII. EDUCATION

1. Further discussion of 2024-2025 General and BIC Update Course Topics [Elder, Crawford-Heath, **Exhibit 8**].
2. Preliminary Approval for the Spring Educators Conference on March 19, 2024 [Elder, **Exhibit 9**].
3. Report on Item Writing Workshops [Elder].
4. Report on October 30, 2023, Education Committee [Elder].
5. Report on November 6, 2023, Education Town Hall [Elder].

VIII. OTHER BUSINESS

1. Reminders
    a. ARELLO 2023 Midyear Meeting - April 16-18, 2024, New Orleans, LA [Baer].

2. Emerging Trends
    a. Ground leases in the residential market [Ramseur, **Exhibit 10**].

3. Other business
    a. NAR lawsuits update [Baer, **Exhibit 11**].

4. Adjourn

Notices of Hearing:

- T. Williams (Dixon) A23-3097

NORTH CAROLINA REAL ESTATE COMMISSION

Commission Meeting

November, 2023

CONSENT AGENDA

Action

1. Minutes of the October 11 Commission Meeting [**attached**].

Information

a. October Real Estate License Examination Results [**attached**].

b. Education Report [**attached**].

c. Monthly Licensee Report [**attached**].

d. Project Summaries [**attached**].

e. Activities Schedule [**attached**].

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NORTH CAROLINA REAL ESTATE COMMISSION

October 11, 2023 Meeting

Kimpton Hotel Arras, Asheville, North Carolina
Meeting In-Person and via Zoom Video Conferencing
Webinar ID: 854 4952 2028

MINUTES

Commission Members Present:

Jeffery J. Malarney, Chair
T. Anthony Lindsey, Vice Chair
William P. Aceto
Mel Black
Wendell Bullard
Jocelyn Mitnaul Mallette *(arrived at 2:23 p.m.)*
Sandra L. O'Connor
Robert J. Ramseur, Jr.

Staff Present:

Miriam J. Baer, Executive Director
Janet B. Thoren, Director of Regulatory Affairs
Len C. Elder, Director of Education and Licensing
Paula L. Ricard, Chief Financial Officer
Wendy C. Harper, Chief Administration Officer
Jake A. Gore, Chief Technology Officer
Kristen L. Fetter, Chief Deputy Legal Counsel
Charlene D. Moody, Deputy Legal Counsel
Alec J. Glenn, Associate Legal Counsel II
Sarah K. Dixon, Associate Legal Counsel I *(via Zoom Video Conferencing)*
Melissa A. Vuotto, Compliance Manager
Minerva J. Mims, DEI Officer
Diana V. Jasany, Communications Officer

Also Present:

Pam Melton, NC REALTORS®
Patricia Glidewell, Bernard Robinson & Company, L.L.P
Brandi Cawthorn, Robinson & Company, L.L.P.
Adam Stallings, Attorney for cases D23-2065 and D23-0990

Mr. Malarney called the business meeting to order at 9:10 a.m., Wednesday, October 11, 2023, welcoming guests, including others not listed observing via Zoom video conferencing.

I.

PRELIMINARY MATTERS

Mr. Lindsey reviewed the Commission's Mission Statement:

- *To protect the public interest in real estate brokerage transactions.*
- *To assure that applicants are competent and possess the requisite character and fitness to act as real estate brokers.*
- *To assure that licensees comply with the Real Estate License Law and Commission rules.*
- *To identify and address issues affecting real estate consumers and licensees.*
- *To effectively and efficiently administer Commission programs and operations.*

Ms. Thoren read into the minutes the following **Ethics Awareness and Conflict of Interest Reminder**: *"In accordance with the provisions of the North Carolina State Government Ethics Act, it is the duty of every Commission member to continually monitor, evaluate, and manage his or her personal, financial, and professional affairs to ensure the absence of conflicts of interest or the appearance of conflicts with his or her public responsibilities as a member of the North Carolina Real Estate Commission. Further, every Commission member should avoid both actual conflicts of interest and the appearance of conflicts in the way he or she conducts himself or herself as a member of the Real Estate Commission. If any Commission member has any known conflict of interest or appearance of conflict with respect to any matters coming before the Commission at this meeting, the member shall identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.*"

Consent Agenda Items

Upon the motion of Ms. O'Connor, the Commission approved the minutes of the Commission's September 13, 2023, meeting, received the September License Examination Results Report, Education Report, Monthly Licensee Report, Applicant Character Review Quarterly Report, Educational Assistance Quarterly Report, and Activities Schedule **[Exhibit 1]**. Ms. Mallette was not present for the vote.

II.

LICENSE APPLICATIONS

Application Review

After considering information presented by Ms. Dixon pertaining to the following applicants for real estate licenses **[Exhibit 2]**, the Commission took the actions indicated below:

Case No.	License	Action	Motion	Dissenting
A24-0631	Broker	Continue	Ramseur*	
A24-0662	Broker	Approve w/ Conditions	Ramseur*	
A24-0682	Broker	Approve	Ramseur*	
A24-0685	Broker	Continue	Black	Ramseur
A24-0832	Broker	Continue	Ramseur*	
A24-0906	Broker	Approve w/ Conditions**	Lindsey	O'Connor, Ramseur

*Mr. Ramseur made one motion to approve the staff recommendation for each of the noted cases.
**The conditions being that the applicant cannot be a Broker-in-Charge for three years after becoming a full broker, i.e., not on provisional status.

Ms. Mallette was not present for the discussions or decisions on the applications.

November Character Conference Panel

Mr. Aceto and Mr. Ramseur will serve on the Commission's Character Conference Panel to convene via Zoom teleconferencing on Tuesday, November 7, at 10:00 a.m.

III.

ADMINISTRATION

Annual Report

Ms. Baer reviewed with the Commission the Annual Report to the State [**Exhibit 3**]. She indicated that Ms. Ricard will file the report with various State offices later this month. The filings also include the independent auditor's report [**Exhibit 6**].

FY2023-2024 Project Summaries

Ms. Baer presented the revised and reformatted FY2023-24 Project Summaries [**Exhibit 4**]. She commended Ms. Bills on the design of the document, noting that she used color coding to tie each project to the Commission's goal statement and identified the projects carried over from the SWOT Analysis. Upon a motion from Mr. Lindsey, the Commission approved the Project Summaries with the addition of a header at the top of page two that mirrors the header on page 1. Ms. Mallette was not present for the discussion or decision in this matter.

November 8 Meeting

Mr. Malarney, Mr. Aceto, Mr. Black, Mr. Bullard, Mr. Lindsey, Ms. O'Connor, and Mr. Ramseur indicated in-person availability for the meeting scheduled on November 8, 2023.

November 8 and 9 Hearings

Mr. Malarney, Mr. Aceto, Mr. Black, Mr. Bullard, Mr. Lindsey, Ms. O'Connor, and Mr. Ramseur indicated in-person availability for the November 8 and 9 hearings.

Granicus Board Meeting Software

Mr. Gore reported that he will be sending each member a new iOS 10 iPad password.

Personnel Matter

Upon the motion of Ms. Mallette, the Commission voted to meet in closed session pursuant to N.C.G.S. § 143-318.11(a)(5) with Ms. Baer to consider a personnel matter.

IV.

FINANCIAL

Monthly Financial Report, Quarterly Investment, and Education & Recovery Fund Report

The Commission received the monthly Financial Report, Quarterly Investment Report, and Education & Recovery Fund Report presented by Ms. Ricard for the period ending September 30, 2023 [**Exhibit 5**]. Mr. Malarney commended Ms. Ricard and Ms. Hine on the financials.

Independent Annual Audit

Ms. Baer reported that the Finance Committee (Mr. Lindsey and Mr. Ramseur) had reviewed the audit report [**Exhibit 6**] with the auditors and staff in detail and that the opinion is the highest possible. Ms. Patricia Glidewell of Bernard Robinson & Company, L.L.P., the Commission's independent auditor, provided an overview of the audit and was available for questions. Upon the joint motion of Mr. Lindsey and Mr. Ramseur, the Commission approved the annual audit. Ms. Mallette was not present for the discussion or decision in this matter. Mr. Malarney and Ms. Baer commended Ms. Ricard and Ms. Hine on their work in preparing for the audit.

V.

REGULATORY AFFAIRS

Regulatory Report

Ms. Thoren provided an overview of the complaint investigation process and then reviewed a report showing the status of all cases pending in the Regulatory Affairs Division as of September 30, 2023 [**Exhibit 7**].

Pending Cases

#D21-1808 - IN RE: STEVEN E. BEAM, DAVID A. KILPATRICK, CHARLESTON OAKS ENTERPRISES LLC (Also #s D21-3242, D22-0275) (Complaint of RYAN

WALSER) – Upon the motion of Ms. O'Connor, the Commission voted to extend to October 31, 2023, the time within which Respondent must satisfy the conditions of the Consent Order he previously entered into with the Commission. Ms. Mallette was not present for the discussion or decision in this case. (Order to be attached to the minutes.) As to Respondents Beam and Charleston Oaks Enterprises, the case remains pending.

#D21-3242 - IN RE: STEVEN E. BEAM, DAVID A. KILPATRICK, CHARLESTON OAKS ENTERPRISES LLC, (Also #s D21-1808, D22-0275) (Complaint of ALEXANDER SULER) – See #D21-1808.

#D22-0275 - IN RE: STEVEN E. BEAM, DAVID A. KILPATRICK, CHARLESTON OAKS ENTERPRISES LLC (Also #s D21-1808, -3242) (Complaints of BRIAN ALEXANDER, et al.) – See #D21-1808.

#D22-3451 - IN RE: JASON J. MCCULLUM (Case No. 1 on the Regulatory Report) – Upon the motion of Mr. Ramseur, the Commission ordered a hearing. Mr. Black to preside over the case prior to the hearing. Ms. Mallette was not present for the discussion or decision in this case.

#D22-3984 - IN RE: JULIE S. COLQUITT, SYLVAN REALTY LLC (Also #s D23-0049, -0548, -1224) (Complaint of SEAN TATUM) – Upon the motion of Mr. Black, the Commission reconsidered and rescinded its previous decision to order a hearing and the case remains pending investigation. Ms. Mallette was not present for the discussion or decision in this case.

#D23-0049 - IN RE: JULIE S. COLQUITT, SYLVAN REALTY LLC (Also #s D22-3984, D23-0548, -1224) (Complaint of CALLIAH LEWIS) – See #D22-3984.

#D23-0319 - IN RE: DEBRA A. HOLLOMAN, JENNIFER C. WELDON, CAROLINA HOMES CONNECTION LLC (Case No. 2 on the Regulatory Report) (Complaint of JOHNNY P. HUYNH) – Upon the motion of Ms. O'Connor, the Commission ordered a hearing. Mr. Fox to preside over the case prior to the hearing. Mr. Black was recused. Ms. Mallette was not present for the discussion or decision in this case.

#D23-0548 - IN RE: JULIE S. COLQUITT, SYLVAN REALTY LLC (Also #s D22-3984, D23-0049, -1224) (Complaint of SANJAY MAMANI) – See #D22-3984.

#D23-0990 - IN RE: JOELLEN E. SHIPMAN (Complaint of SUSAN FORD) – Following a hearing on October 12, 2023, the Commission permanently revoked the real estate broker license of Respondent effective upon the issuance of the Order. (Order to be attached to the minutes.)

#D23-1224 - IN RE: JULIE S. COLQUITT, SYLVAN REALTY LLC (See #s D22-3984, D23-0049, -0548) (Complaint of JESSICA FELIU) – See #D22-3984.

#D23-1343 - IN RE: STEPHANIE K. MCANUFF, IDI PROPERTIES, INC. (Case No. 3 on the Regulatory Report) (Complaint of KRYSTAL L. POLITE) – Upon the motion of Mr. Ramseur, the Commission ordered a hearing. Mr. Malarney to preside over the

case prior to the hearing. Ms. Mallette was not present for the discussion or decision in this case.

#D23-1667 - IN RE: JAMIE L. MCDEVITT, CLIO M. CARROLL, MCDEVITT TOWN & COUNTRY PROP. (Complaint of CHRIS FITZPATRICK) – Upon the motion of Mr. Aceto, Consent Agreement accepted whereby the Commission suspended the real estate broker license of Respondent Carroll for six months effective March 20, 2024, provided, however, the suspension shall be stayed if, by March 15, 2024, Respondent satisfactorily completes certain real estate education prescribed by the Commission. Ms. Mallette was not present for the discussion or decision in this case. (Order to be attached to the minutes.) As to Respondents McDevitt and McDevitt Town & Country Prop., the case remains pending.

#D23-1912 - IN RE: TIARRA S. BELIZAIRE, GLEN SOTO (Complaint of CLARISSA P. CONNOR) – Upon the motion of Mr. Ramseur, Consent Agreement accepted whereby the Commission suspended the real estate broker license of Respondent Soto for twelve months effective December 15, 2023, provided, however, the suspension shall be stayed upon certain conditions as more particularly described in the Order. Mr. Aceto dissented. Ms. Mallette was not present for the discussion or decision in this case. (Order to be attached to the minutes.) As to Respondent Belizaire, see May 2023 minutes, p. 7.

#D23-2065 - IN RE: ELLEN N. DEESE, JENNY C. EDWARDS (Complaint of DOUG VAUGHAN) – Upon the motion of Mr. Bullard, Consent Agreement accepted whereby the Commission suspended the real estate broker license of Respondent Deese for twelve months effective November 1, 2023, of which three months shall be active and the remaining period stayed if, by January 20, 2024, Respondent satisfactorily completes certain real estate education prescribed by the Commission. Mr. Ramseur was recused. Ms. Mallette was not present for the discussion or decision in this case. (Order to be attached to the minutes.) As to Respondent Edwards, see April 2023 minutes, p. 9.

#D23-2345 - IN RE: DONELL J. KEITH, STEVEN KING, ROY H. HARVEL, PREMIER SANDHILLS VENTURES II LLC, MERIDITH M. MUCCI (Case No. 4 on the Regulatory Report) (Complaint of ALITA S. KNIGHT) Upon separate motions of Mr. Ramseur, the Commission ordered a hearing as to Respondents Keith, Harvel, and Premier Sandhills Ventures. Ms. Mallette to preside over the case prior to the hearing. The motion of Mr. Ramseur to close the case as to Respondent King failed with Mr. Aceto and Mr. Ramseur having voted in favor of the motion. As to Respondents King and Mucci, upon the motions of Mr. Ramseur, the Commission closed its case without action but cautioned these Respondents to exercise greater care in the future to discover and disclose material facts concerning properties either listed for sale or those in which a buyer-client has an interest. Mr. Ramseur and Mr. Lindsey dissented as to Respondent King. Ms. Mallette was not present for the discussion or decision in this case.

#D23-2530 - IN RE: MANUEL J. PONCE DE LEON, DOMINIQUE N. WILFONG ZAMORA, ROGA LLC, CHASITY A. DEBARBER, ANCHOR REAL ESTATE OF EASTERN NORTH CAROLINA, INC., KELLI L. SALTER (Case No. 5 on the Regulatory Report) (Complaint of ETEUATI TAULA) – Upon the motion of

Mr. Ramseur, the Commission ordered a hearing. Ms. O'Connor to preside over the case prior to the hearing. Ms. Mallette was not present for the discussion or decision in this case.

#D23-2810 - IN RE: DAVID A. ZELINSKI, MARK E. CARLTON, AMY E. DEMARS, RE III INC. (Case No. 6 on the Regulatory Report) (Complaint of CODY J. BRANNAN) – Upon the motion of Mr. Lindsey, the Commission ordered a hearing. Mr. Aceto to preside over the case prior to the hearing. Mr. Ramseur was recused. Mr. Malarney dissented. Ms. Mallette was not present for the discussion or decision in this case.

#D23-3265 - IN RE: MICHELLE C. SMITH (Complaint of NC STATE BAR) – Upon the motion of Ms. O'Connor, the Commission accepted the permanent voluntary surrender of the real estate broker license of Respondent effective upon the issuance of the Order. Mr. Ramseur was recused. Ms. Mallette was not present for the discussion or decision in this case. (Order to be attached to the minutes.)

#D24-0015 - IN RE: JOANN M. WAINIO, EDWIN H. WAGENSELLER, ULTIMATE PROPERTY MANAGEMENT LLC (Case No. 7 on the Regulatory Report) (Complaint of ROSAYSELA A. TORRES) – Upon the motion of Mr. Lindsey, the Commission ordered a hearing as to Respondent Wainio. Mr. Ramseur to preside over the case prior to the hearing. As to Respondents Wagenseller and Ultimate Property Management, the Commission closed its case without action but cautioned Respondents to exercise greater care in the future to discover and disclose material facts regarding properties listed for sale and verify the accuracy of advertisements of properties listed for sale by the firm or affiliated brokers. Ms. Mallette was not present for the discussion or decision in this case.

#D24-0079 - IN RE: MARINA J. DANE, CHASITY A. DEBARBER, ROGA LLC (Case No. 8 on the Regulatory Report) (Complaints of JENNIFER E. COXE, DETECTIVE RYAN G. KENNEDY) – Upon the motion of Mr. Ramseur, the Commission ordered a hearing as to Respondent Dane. Mr. Black to preside over the case prior to the hearing. As to Respondents DeBarber and ROGA, the Commission closed its case without action but cautioned Respondents to exercise greater care in the future to renew their firm's license in a timely manner and refrain from allowing the firm or any affiliated brokers to conduct brokerage while on inactive or expired status. Ms. Mallette was not present for the discussion or decision in this case.

#D24-0214 - IN RE: BRYANT M. TUMBELEKIS, ELIZABETH N. TUMBELEKIS, TUMBELEKIS REALTY GROUP, INC. (Case No. 9 on the Regulatory Report) (Complaint of SIDDHARTHA RAO) – Upon the motion of Mr. Ramseur, the Commission ordered a hearing. Mr. Bullard to preside over the case prior to the hearing. Ms. Mallette was not present for the discussion or decision in this case.

Legislative Report

Ms. Thoren reviewed the Legislative Report [**Exhibit 8**], summarizing bills that are currently pending in the General Assembly that relate to real estate brokerage, occupational licensing, or other matters of interest to the Commission. Ms. Thoren noted that the budget, H259 2023-2024 Appropriations Act, did pass into law.

Residential Property and Owners' Association Disclosure Statement (RPOADS)

Ms. Vuotto provided an overview of the rulemaking process relating to the RPOADS rule, 21 NCAC 58A .0114, and presented a revised version of the Disclosure Statement for the Commission's consideration [**Exhibit 9**]. The Commission discussed the first page relating to instructions and two sections, Sections A – B, during its meeting and noted various topics to be addressed by staff in the next draft including clarifying the instructions regarding the obligation to respond to questions, reformatting 'additional information spaces' that relate to the questions, and simplifying the question and table structure. Mr. Malarney asked that the public comment matrix be included in next month's Disclosure Statement exhibit. The Commission took no action on the Disclosure Statement and will continue its discussion during the November business meeting.

BIC Span of Control

Ms. Baer reported that the BIC Span of Control Workgroup met and reviewed the BIC Span of Control exhibit the Commission received. At Mr. Lindsey's request, the workgroup members began by discussing the scope of the problem including both misconduct and failure to act, and adding to the list of topics for discussion. The group will continue to meet and make updates to the full Commission. Mr. Lindsey asked Mr. Aceto and Mr. Ramseur for any suggestions on the BIC span of control. Mr. Ramseur stated he would be an alternate for the workgroup. Mr. Lindsey offered to share the workgroup minutes from the first meeting. Mr. Lindsey noted that the group is working on how best to approach the subject.

VI.

EDUCATION

General and BIC Update Course Topics

Mr. Elder reviewed with the Commission a preliminary list of possible 2024-2025 Update course topics based upon suggestions provided by Commission members, staff, licensees, and educators [**Exhibit 10**]. Mr. Elder noted that in July, he shared with the Commission the 2022-2023 Update Survey and he included students' suggestions in the current exhibit. As to requests for topics that are generally outside the Commission's scope, e.g., negotiation training, Ms. O'Connor suggested that these topics be directed to the NC REALTORS Association. Mr. Elder asked that the Commission consider any topics that they would like to include in the Update Courses for further consideration at the November meeting.

North Carolina Real Estate Educators Association (NCREEA) Fall Conference

Mr. Elder reported that NCREEA held its fall, in-person conference in Winston-Salem at the end of September. Ms. Cheryl Sain was awarded Program of the Year and Ms. Melea Lemon was awarded Educator of the Year. Mr. Elder noted that the entire Education staff presented at the conference and he gave the closing presentation.

Education Committee Meeting

Mr. Elder suggested an Education Committee meeting with Mr. Black and Ms. O'Connor to discuss the Education Advisory Committee and topics for the Update course. The members agreed. Ms. Bills will send out a Doodle poll to determine a date for the meeting.

VII.

OTHER BUSINESS

Reminders

Ms. Baer reminded members about the upcoming NC REALTORS® Annual Meeting – October 16-19, 2023, in Savannah, GA. She will be presenting at the meeting.

Emerging Trends

Mr. Ramseur reported on the TIME article, *Rooftop Solar Power Has a Dark Side* [**Exhibit 11**]. Mr. Ramseur will reach out the North Carolina Sustainability Association to inquire what issues they are seeing.

Mr. Lindsey provided an industry update regarding the status of the National Association of REALTORS® noting that recent events have been impacting the Association, specifically a sexual harassment suit, and several class action lawsuits addressing how commissions are handled and MLS access.

Other Business

There being no further business, the meeting adjourned on Wednesday, October 11, 2023, at 3:55 p.m.

_____
Miriam J. Baer, Executive Director

This _____ day of _____ 2023.

_____
Jeffery J. Malarney, Chair

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a

License Examination Results Report

Statistics Period

July 1, 2022 to October 31, 2023

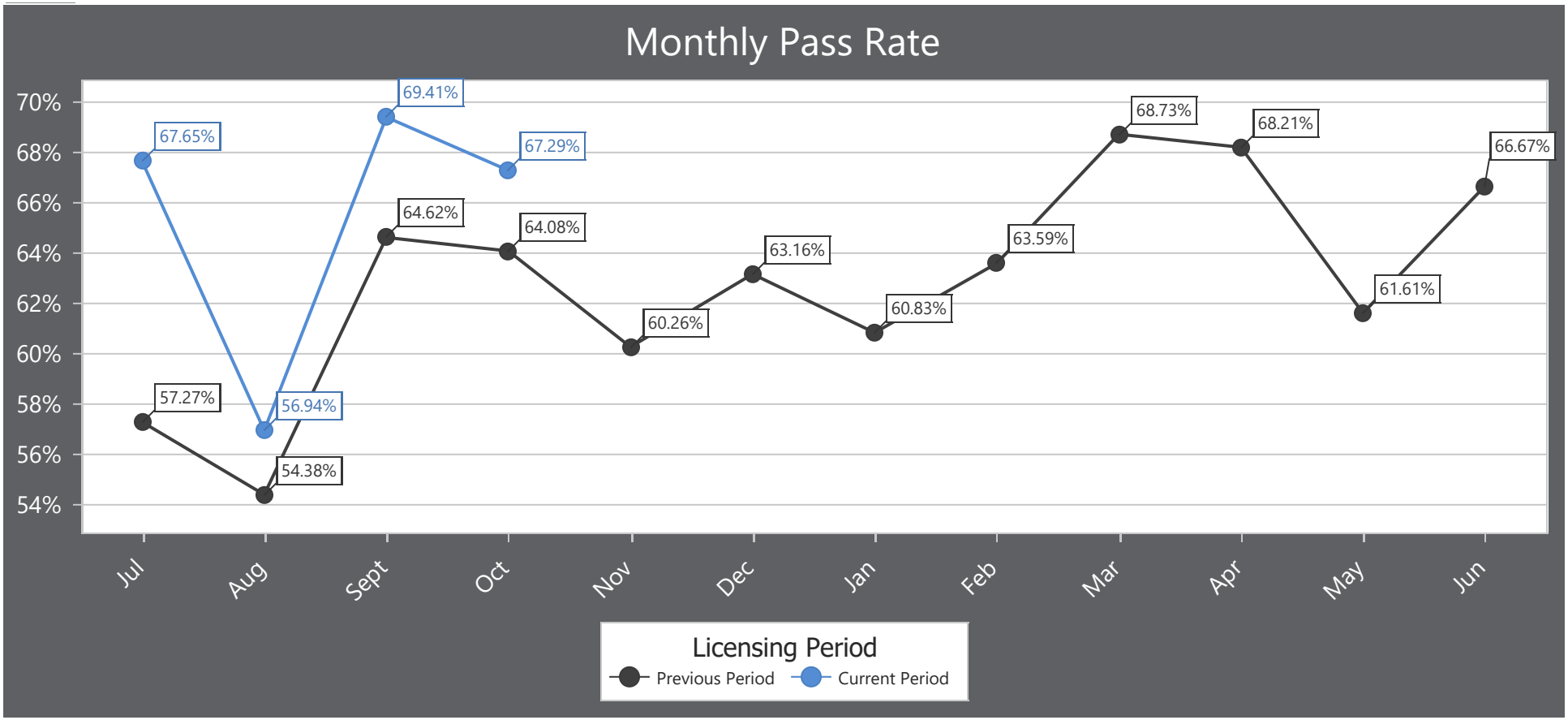
Report Date: November 1, 2023

NORTH CAROLINA
REAL ESTATE COMMISSION

P. O. Box 17100
Raleigh, NC 27619
(919) 875-3700 | educ@ncrec.gov

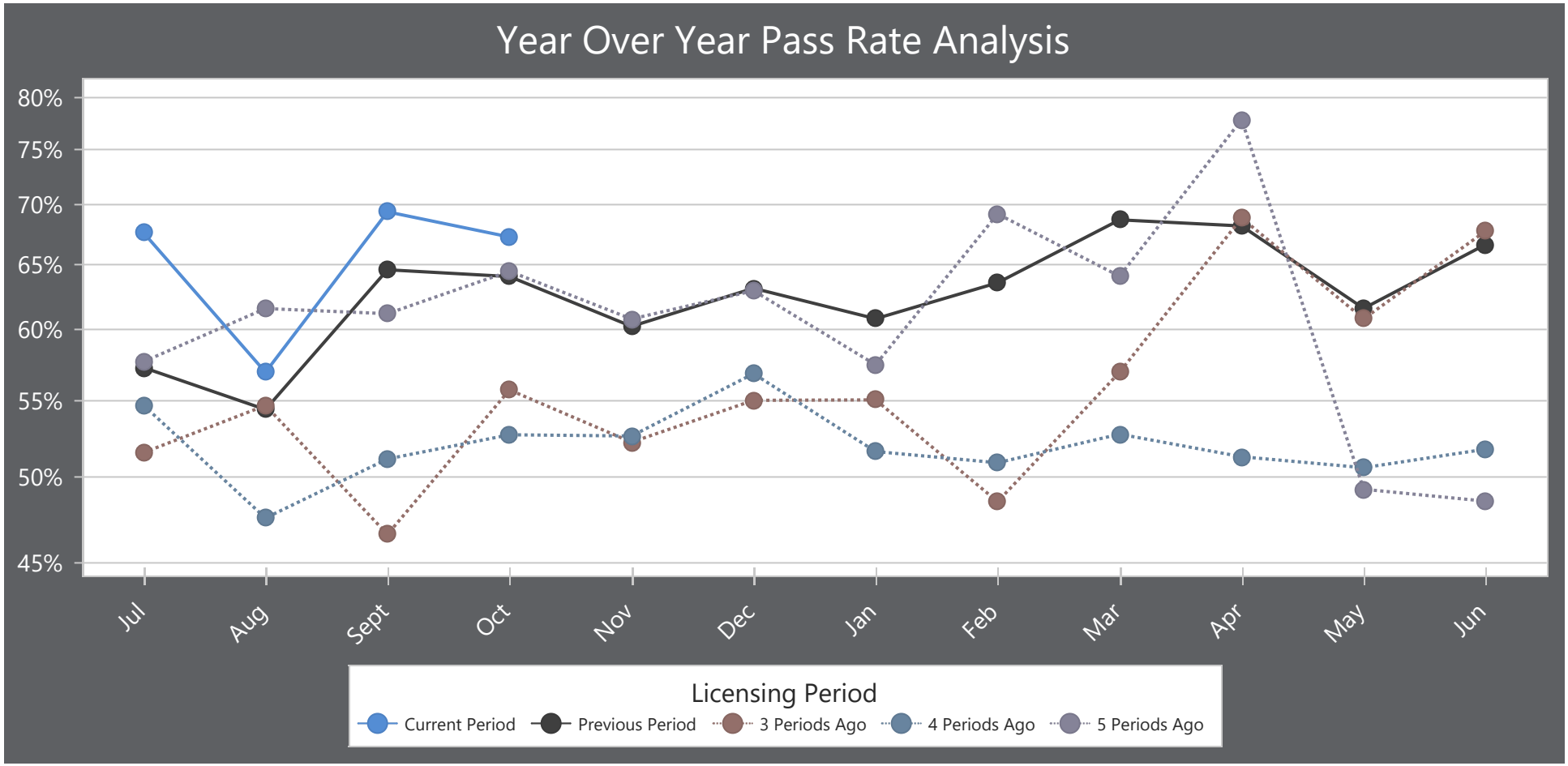
First Time Test Takers within 31 days of Course Completion

Licensing Period		Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Cumulative
2022-2023	Total	227	217	260	245	234	247	217	195	371	280	310	273	3076
	Passed	130	118	168	157	141	156	132	124	255	191	191	182	1945
	% Passed	57.27%	54.38%	64.62%	64.08%	60.26%	63.16%	60.83%	63.59%	68.73%	68.21%	61.61%	66.67%	63.23%
2023-2024	Total	204	216	255	266									941
	Passed	138	123	177	179									617
	% Passed	67.65%	56.94%	69.41%	67.29%									65.57%



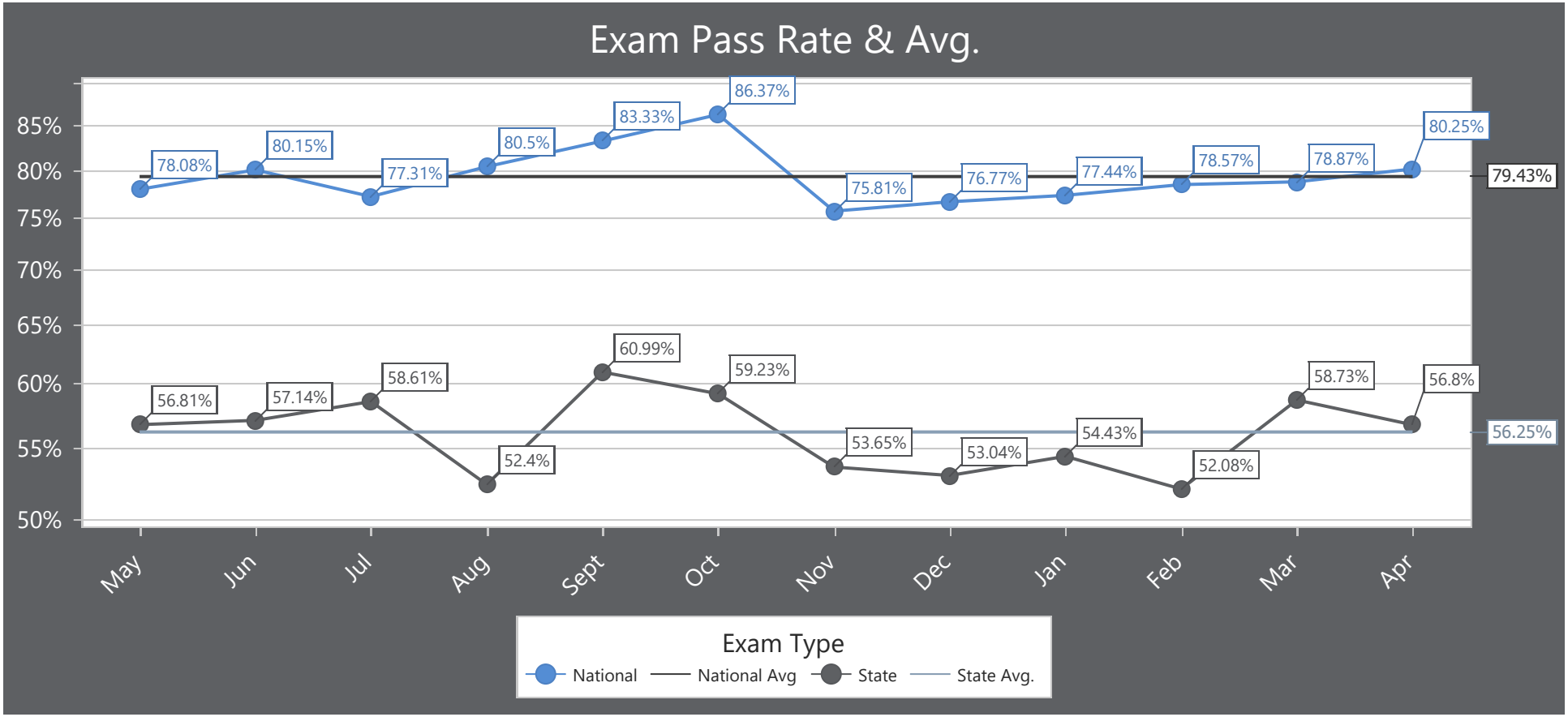
5 Year Analysis of First Time Test Takers within 31 days of Course Completion

Licensing Period	Jul	Aug	Sept	Oct.	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Cumulative
2023-2024	67.65%	56.94%	69.41%	67.29%									65.57%
2022-2023	57.27%	54.38%	64.62%	64.08%	60.26%	63.16%	60.83%	63.59%	68.73%	68.21%	61.61%	66.67%	63.23%
2021-2022	51.56%	54.65%	46.61%	55.71%	52.23%	55.00%	55.03%	48.53%	56.94%	68.88%	60.82%	67.79%	57.45%
2020-2021	54.67%	47.56%	51.16%	52.71%	52.63%	56.84%	51.63%	50.92%	52.75%	51.30%	50.61%	51.78%	52.24%
2019-2020	57.69%	61.60%	61.21%	64.50%	60.81%	62.97%	57.47%	69.23%	64.11%	77.78%	49.28%	48.56%	60.37%



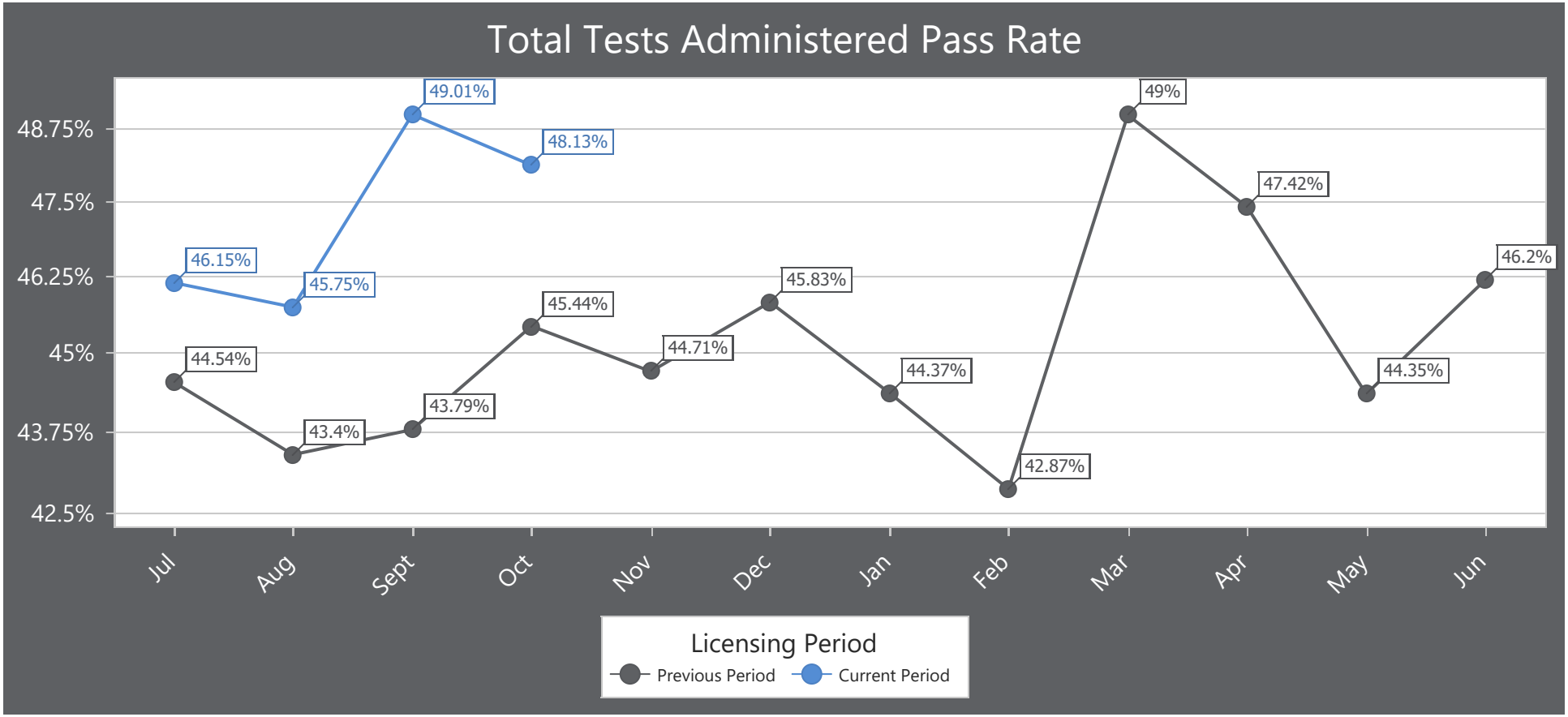
All First Time Test Takers by National & State Exam

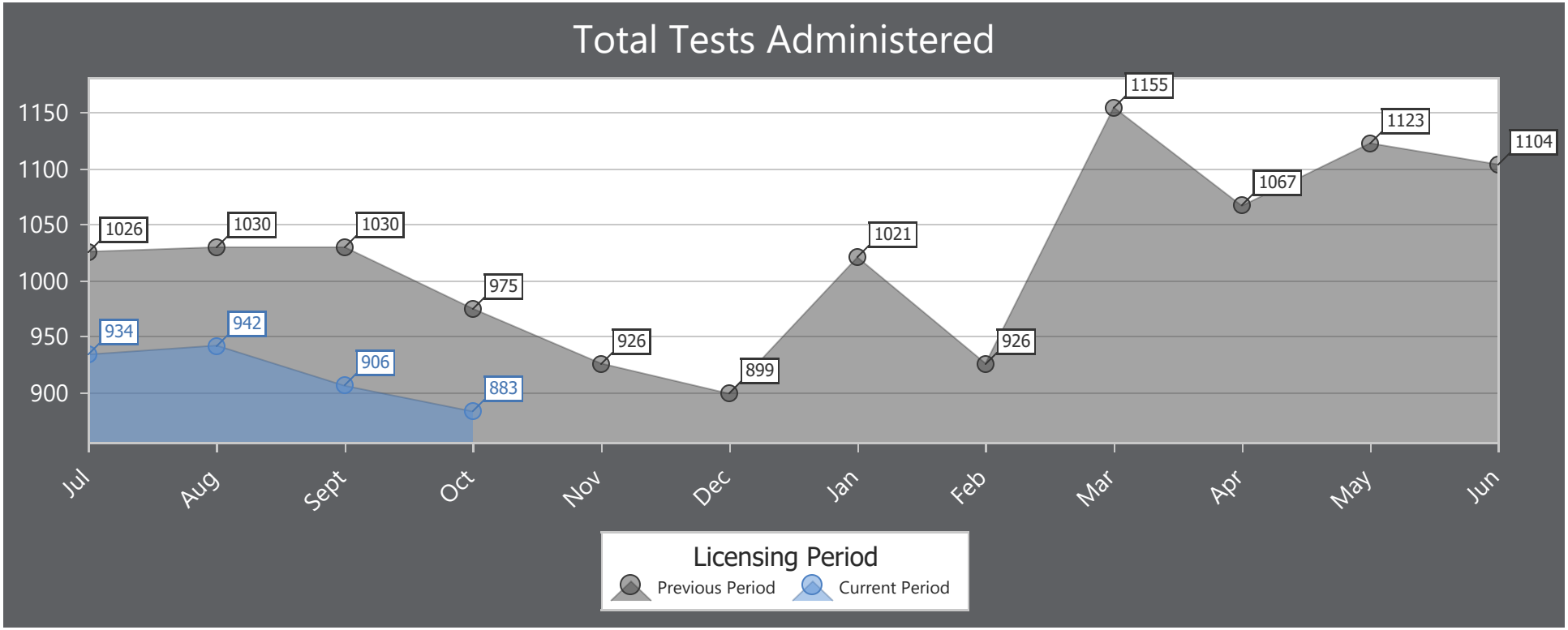
Section		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Cumulative
National	Total	430	465	461	392	601	486	543	529	401	441	432	433	5614
	Passed	326	357	357	308	474	390	424	424	310	355	360	374	4459
	% Passed	75.81%	76.77%	77.44%	78.57%	78.87%	80.25%	78.08%	80.15%	77.31%	80.50%	83.33%	86.37%	79.43%
State	Total	438	477	474	409	613	500	558	553	418	458	446	444	5788
	Passed	235	253	258	213	360	284	317	316	245	240	272	263	3256
	% Passed	53.65%	53.04%	54.43%	52.08%	58.73%	56.80%	56.81%	57.14%	58.61%	52.40%	60.99%	59.23%	56.25%

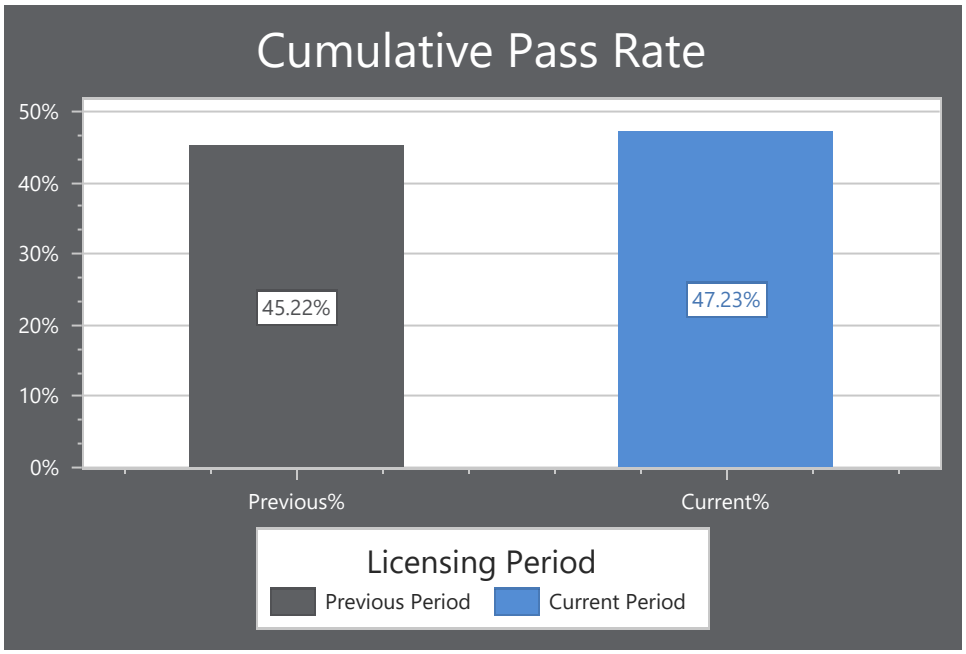


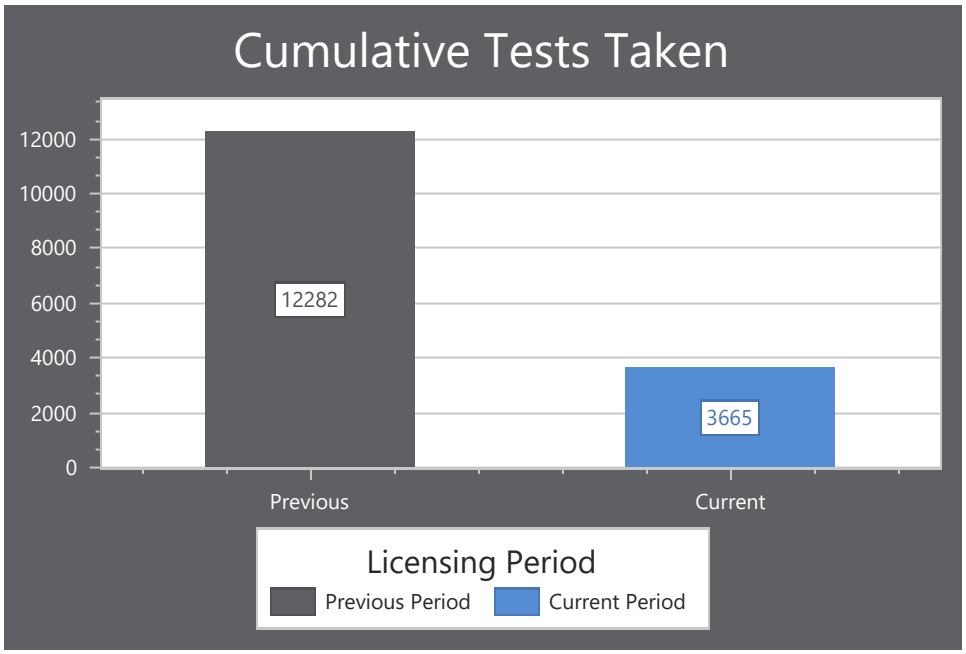
Pass Rate on Total Tests Administered

Licensing Period		Jul	Aug	Sept	Oct.	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Cumulative
2022-2023	Total	1026	1030	1030	975	926	899	1021	926	1155	1067	1123	1104	12282
	Passed	457	447	451	443	414	412	453	397	566	506	498	510	5554
	% Passed	44.54%	43.40%	43.79%	45.44%	44.71%	45.83%	44.37%	42.87%	49.00%	47.42%	44.35%	46.20%	45.22%
2023-2024	Total	934	942	906	883									3665
	Passed	431	431	444	425									1731
	% Passed	46.15%	45.75%	49.01%	48.13%									47.23%




Total Tests Administered
1150
1100
1050
1000
950
900
1026
1030
1030
975
926
899
1021
926
1155
1067
1123
1104
934
942
906
883
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Licensing Period
Previous Period
Current Period


Cumulative Pass Rate
50%
40%
30%
20%
10%
0%
45.22%
47.23%
Previous%
Current%
Licensing Period
Previous Period
Current Period


Cumulative Tests Taken
12000
10000
8000
6000
4000
2000
0
12282
3665
Previous
Current
Licensing Period
Previous Period
Current Period



NCREC Monthly Education Report

October 1, 2023 – October 31, 2023

NEW INSTRUCTOR SEMINAR

- 17 Candidates attended the NIS from 10/24 to 10/26
- 2 will be invited back for a 2nd presentation
- 15 will be invited to submit an application

NEW EDUCATION PROVIDER CERTIFICATIONS

- 2 new Private Education Providers were certified
- 1 new Public Education Provider was certified

NEW INSTRUCTORS APPROVED

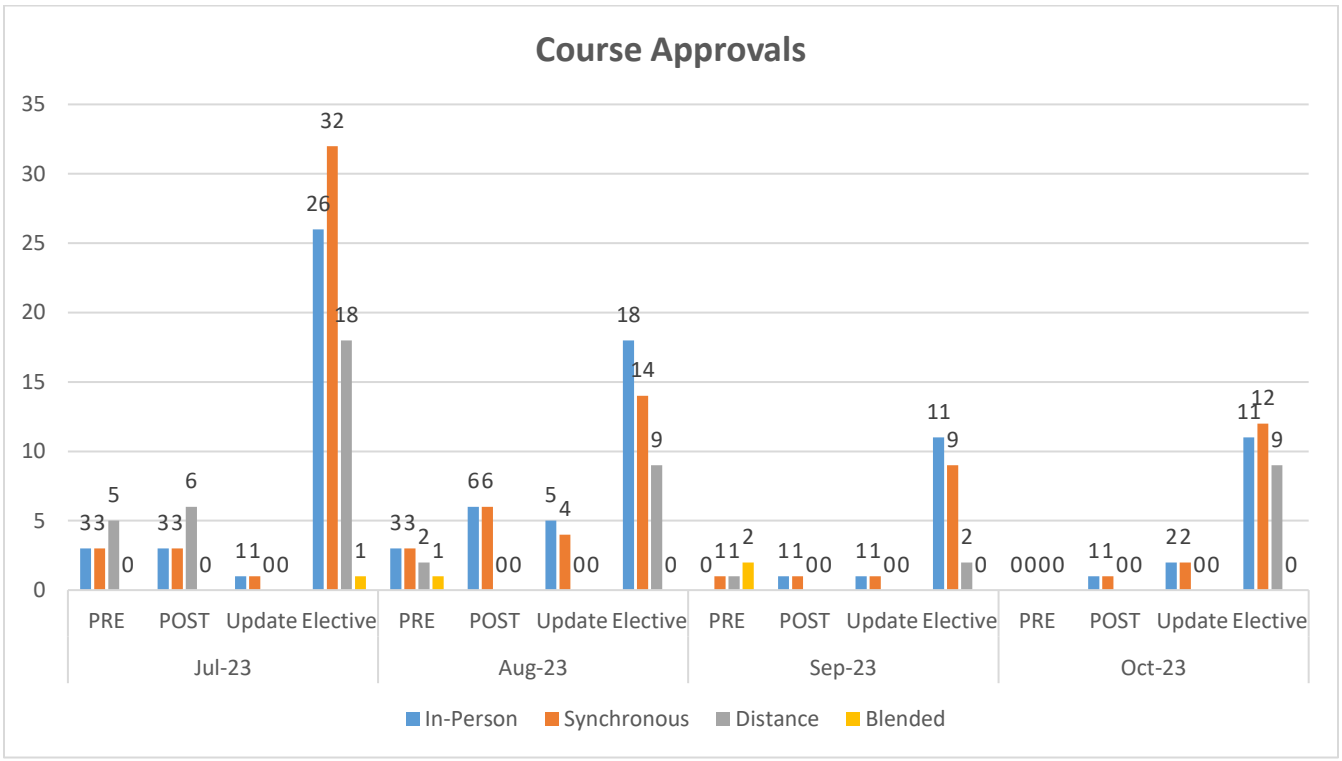
- 6 New Instructors Were Approved
  - Tiffany Lee #2564
  - David Dye #2566
  - Diane Maness #2567
  - Deonca Goodman #2568
  - Alexa Fritz #2569
  - Alexis Little #2571

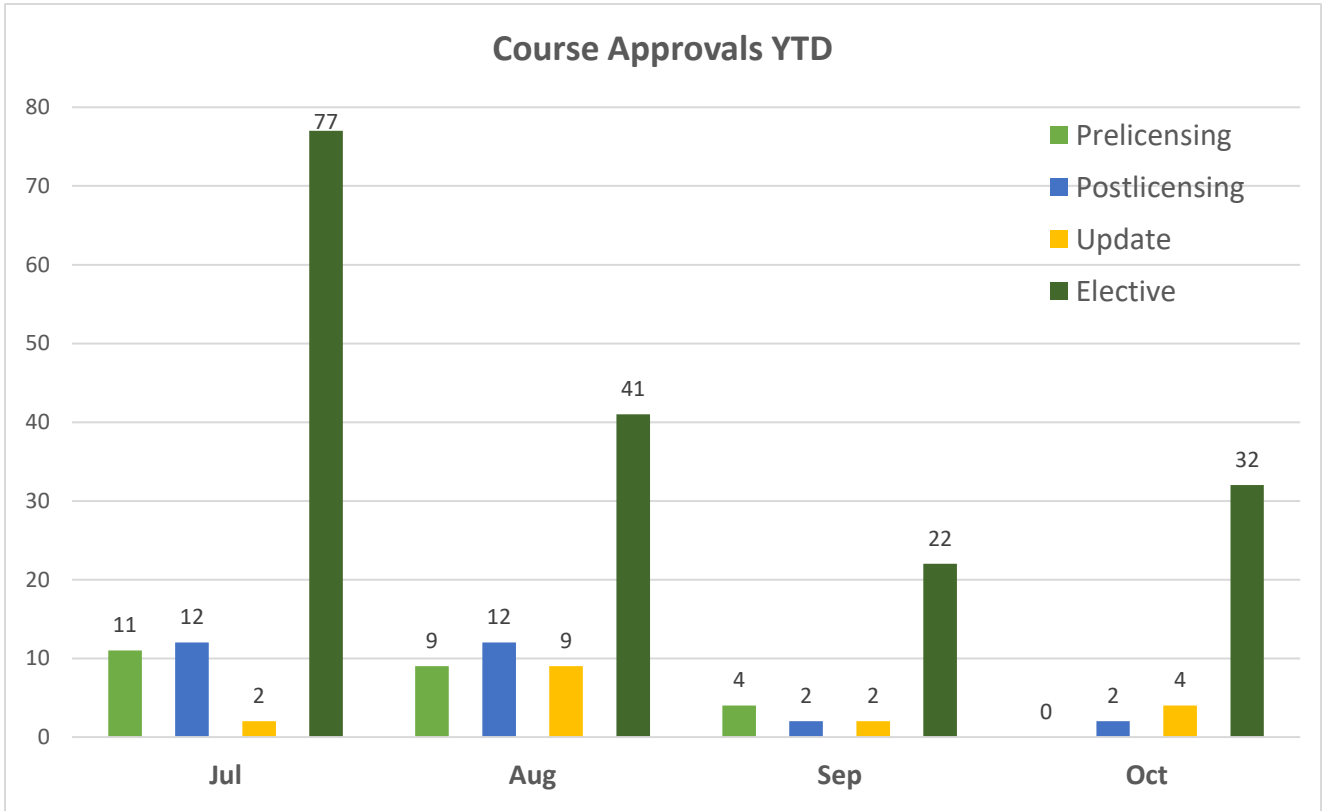
INSTRUCTORS REINSTATED (Following the June 30, 2023 Renewal Deadline)

- 4 Instructors were reinstated following failure to renew on 6/30/23

TOTAL # OF EDUCATION PROVIDERS	TOTAL # OF CURRENT INSTRUCTORS
233	**452**

NEW COURSES APPROVED





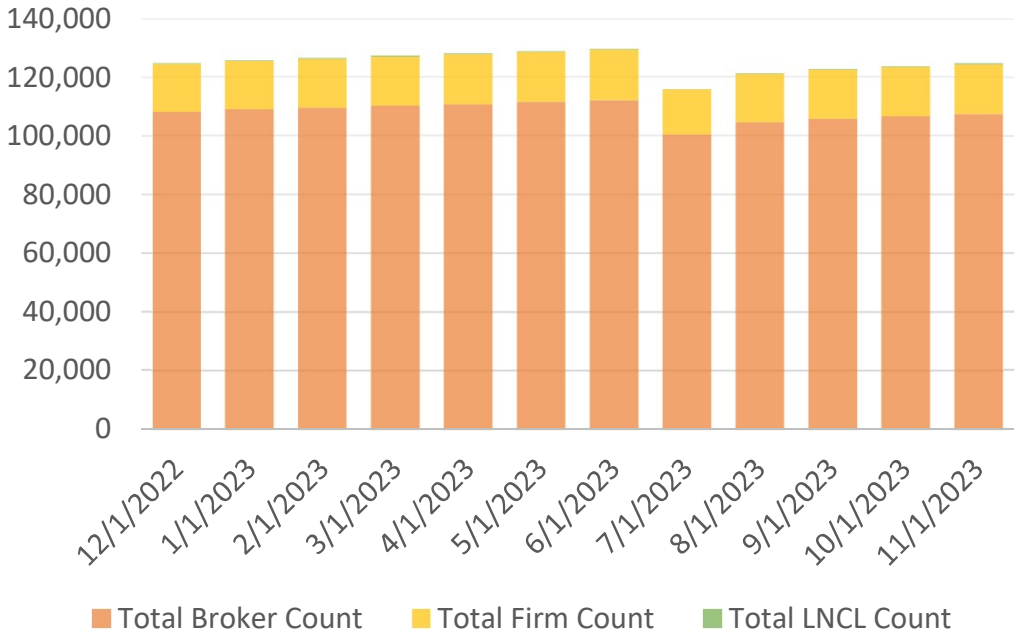
NORTH CAROLINA REAL ESTATE COMMISSION

Monthly Licensee Report
October 2023

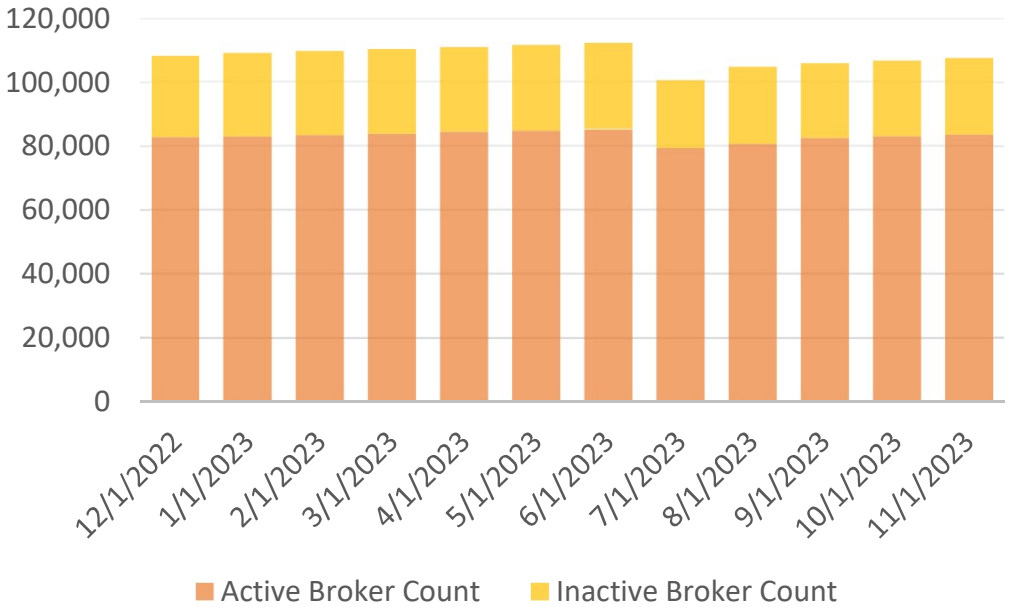
November 1, 2023 Report

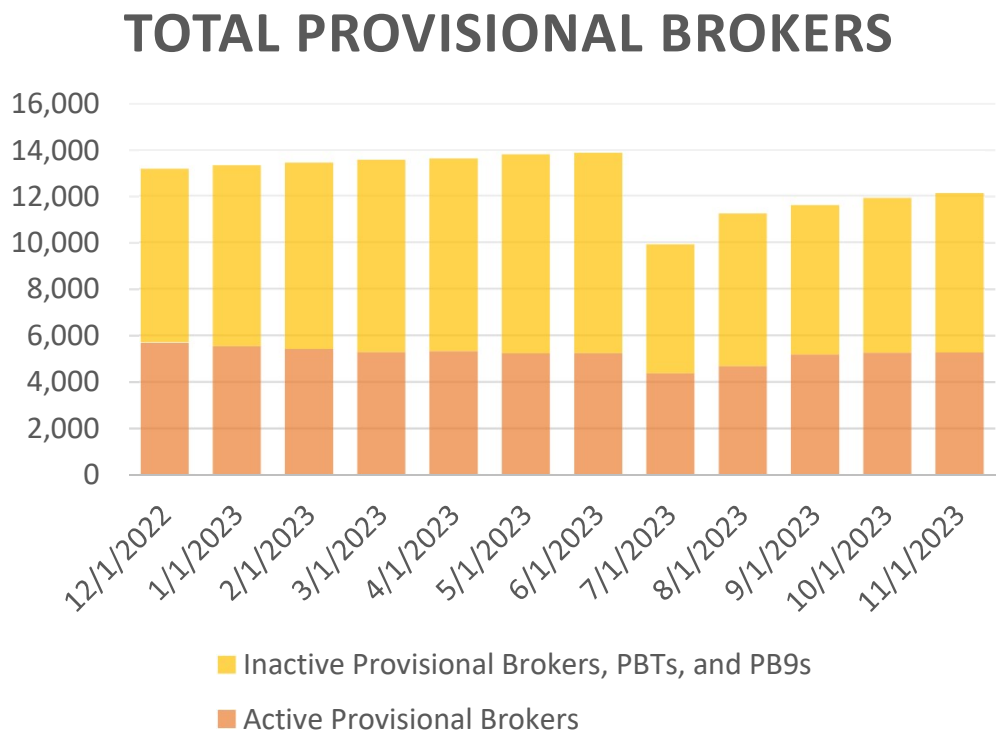
	12/1/2022	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023	9/1/2023	10/1/2023	11/1/2023
Total Broker Count	108,068	108,930	109,550	110,150	110,765	111,457	112,088	100,431	104,621	105,757	106,605	107,381
Total Firm Count	16,314	16,442	16,644	16,801	16,925	17,048	17,219	15,285	16,411	16,641	16,805	16,942
Total LNCL Count	275	278	278	283	288	293	294	195	218	231	237	240
Total Licensees	124,657	125,650	126,472	127,234	127,978	128,798	129,601	115,911	121,250	122,629	123,647	124,563
Active Broker Count	82,655	82,936	83,276	83,652	84,305	84,693	85,239	79,298	80,555	82,412	82,981	83,474
Inactive Broker Count	25,413	25,994	26,274	26,498	26,460	26,764	26,849	21,133	24,066	23,345	23,624	23,907
Total Broker Count	108,068	108,930	109,550	110,150	110,765	111,457	112,088	100,431	104,621	105,757	106,605	107,381
Active Provisional Brokers	5,702	5,547	5,416	5,277	5,313	5,220	5,233	4,373	4,685	5,186	5,244	5,266
Inactive Provisional Brokers, PBTs, and PB9s	7,459	7,769	8,006	8,272	8,292	8,557	8,646	5,546	6,554	6,411	6,662	6,851
Total PBs, PBTs, PB9s	13,161	13,316	13,422	13,549	13,605	13,777	13,879	9,919	11,239	11,597	11,906	12,117
Brokers-in-Charge	17,678	17,745	17,864	17,956	18,045	18,138	18,234	17,223	17,520	17,715	17,802	17,885
BIC-Eligible Brokers	5,675	5,707	5,736	5,788	5,883	5,937	5,981	6,178	6,034	6,013	6,042	6,081
Total BIC & BIC-Elig	23,353	23,452	23,600	23,744	23,928	24,075	24,215	23,401	23,554	23,728	23,844	23,966
Expired Brokers	6,568	0	0	0	0	0	0	11,739	8,648	8,170	8,006	7,857
Expired Firms	620	0	0	0	0	0	0	1,919	954	881	856	836
Expired LNCLs	44	0	0	0	0	0	0	99	85	79	77	75
Total Expired	7,232	0	0	0	0	0	0	13,757	9,687	9,130	8,939	8,768

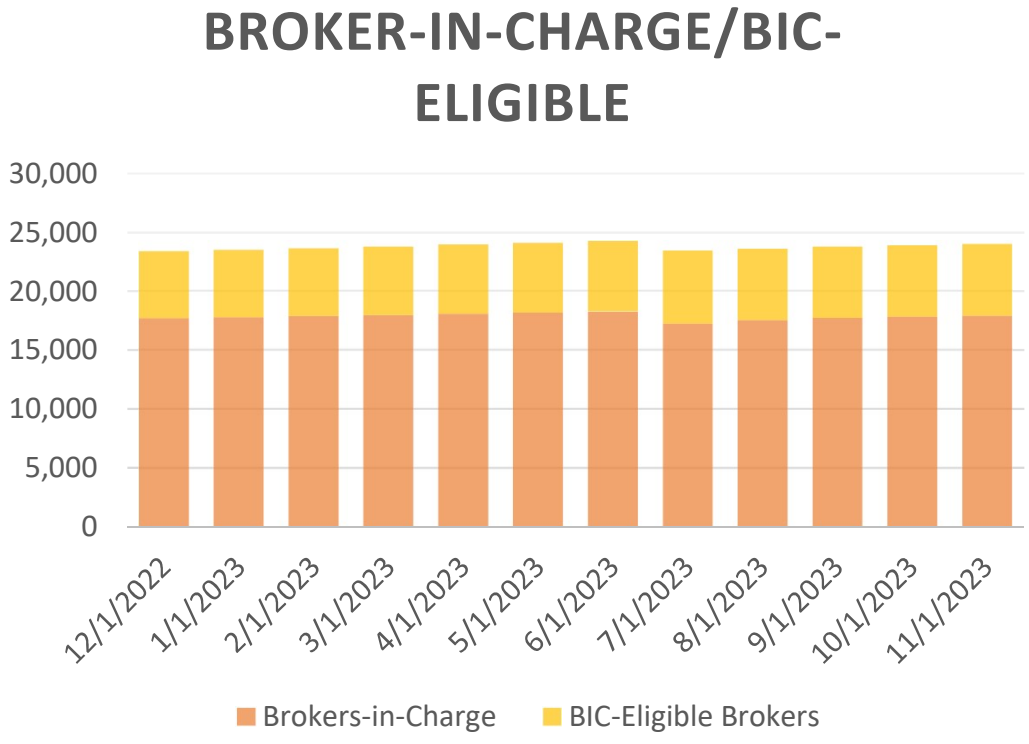
TOTAL LICENSEES



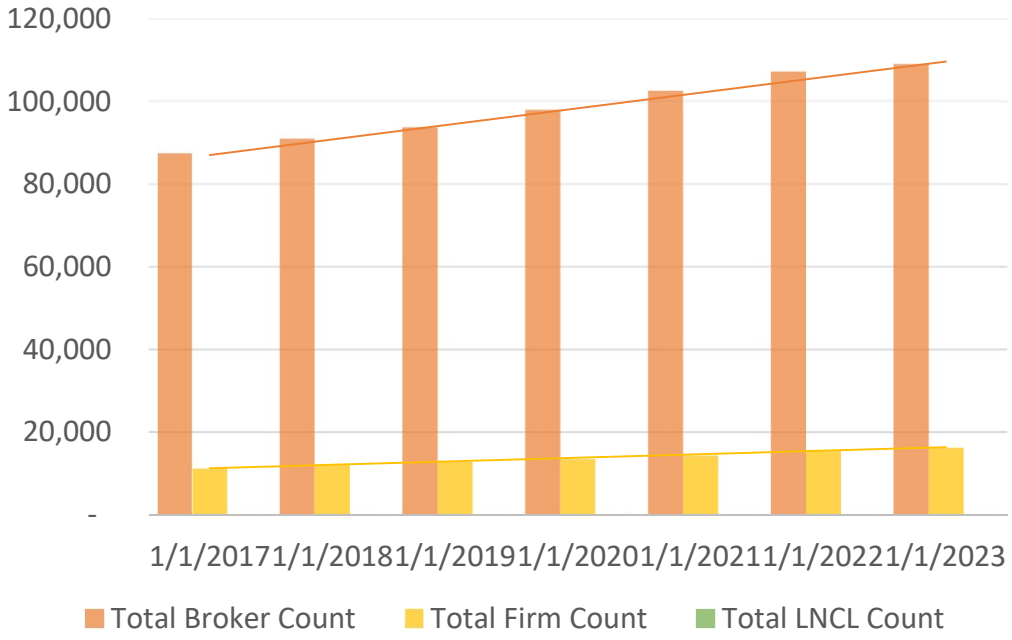
TOTAL BROKERS



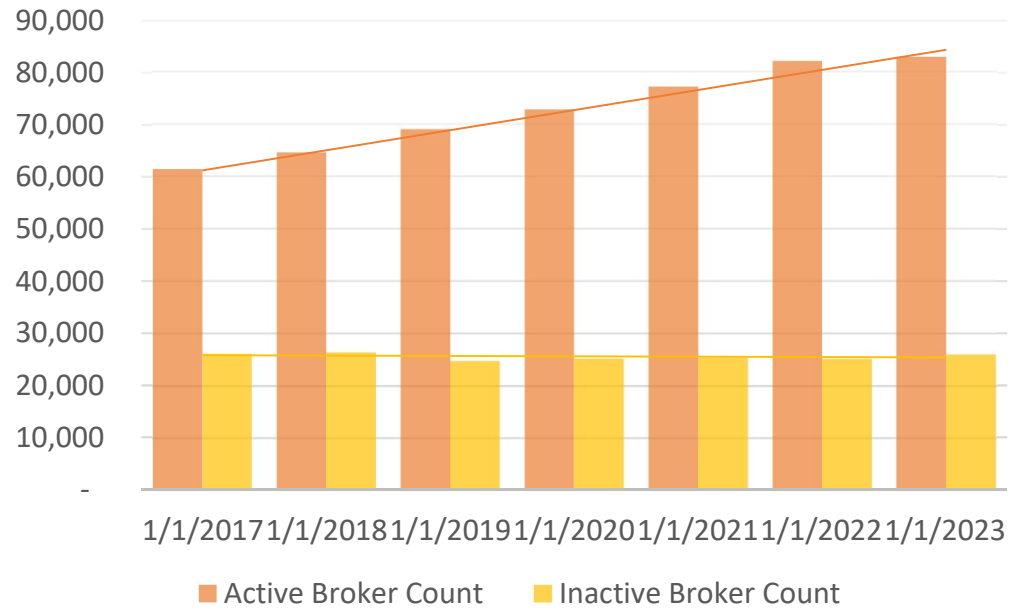

TOTAL PROVISIONAL BROKERS
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
12/1/2022
1/1/2023
2/1/2023
3/1/2023
4/1/2023
5/1/2023
6/1/2023
7/1/2023
8/1/2023
9/1/2023
10/1/2023
11/1/2023
Inactive Provisional Brokers, PBTs, and PB9s
Active Provisional Brokers


BROKER-IN-CHARGE/BIC-ELIGIBLE
30,000
25,000
20,000
15,000
10,000
5,000
0
12/1/2022
1/1/2023
2/1/2023
3/1/2023
4/1/2023
5/1/2023
6/1/2023
7/1/2023
8/1/2023
9/1/2023
10/1/2023
11/1/2023
Brokers-in-Charge
BIC-Eligible Brokers

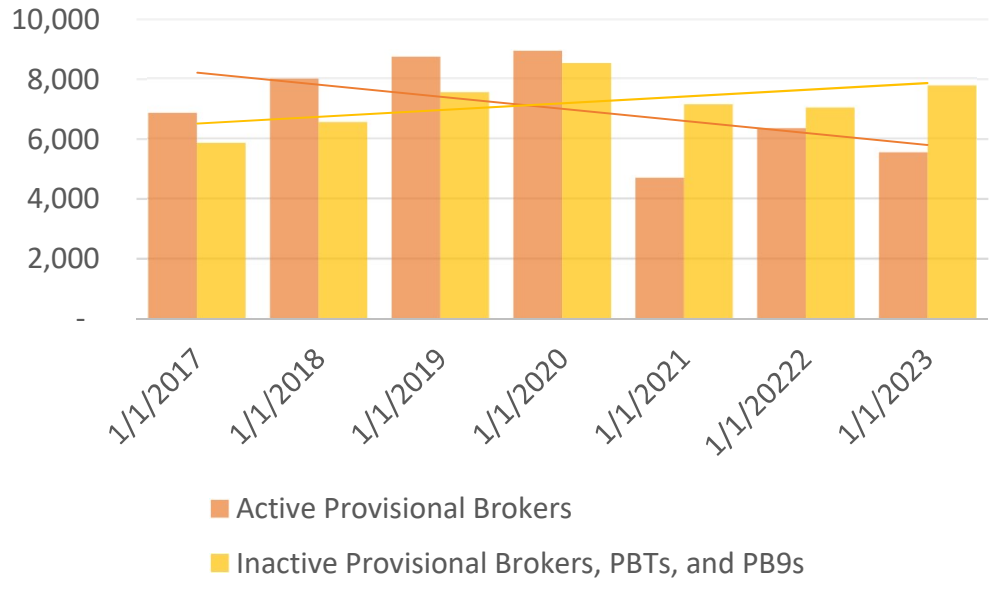
ANNUAL LICENSEE COUNT



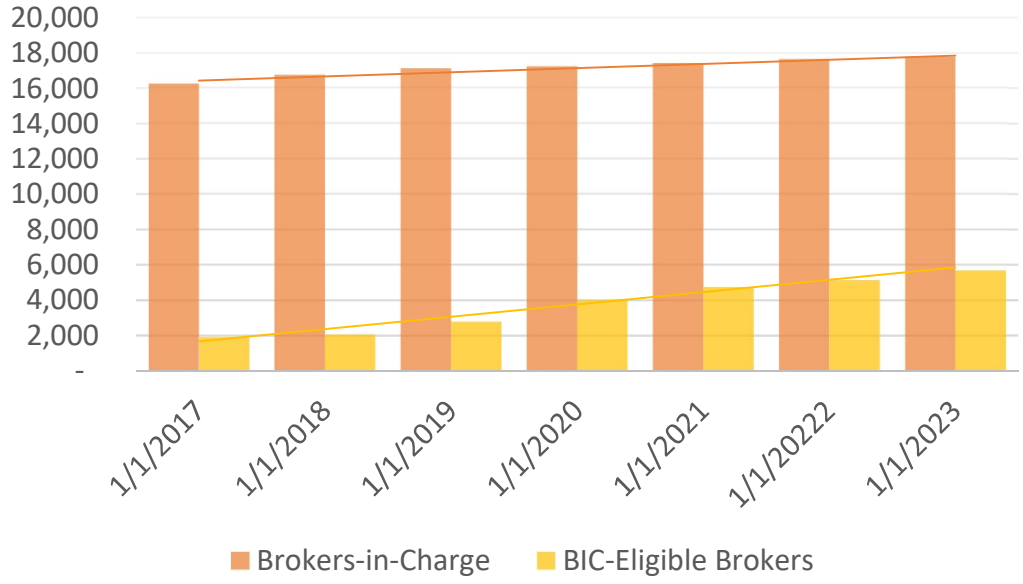
ANNUAL BROKER COUNT

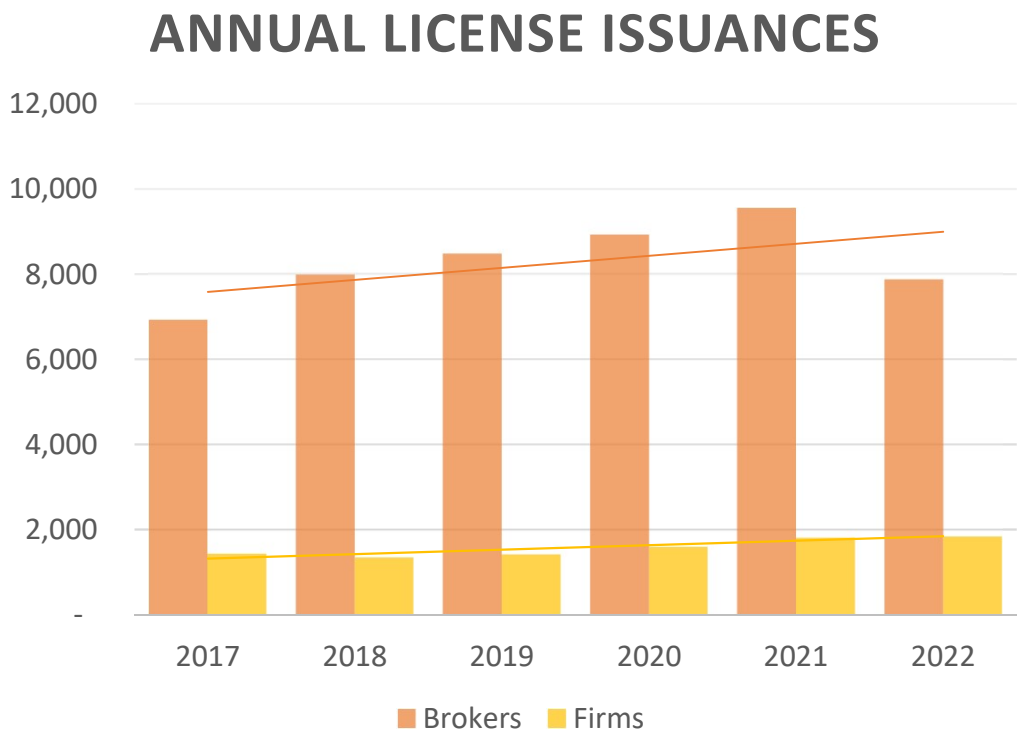


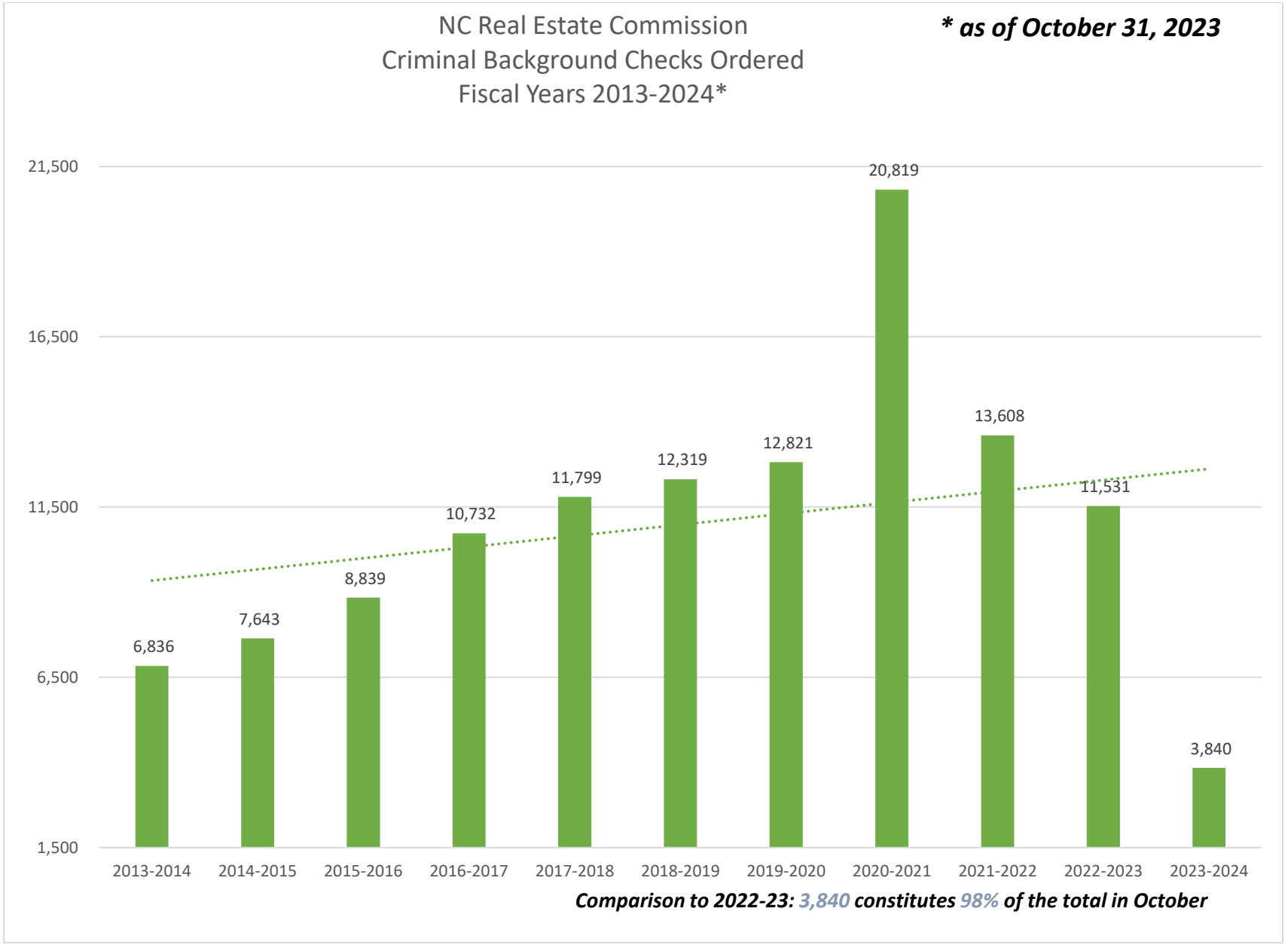
ANNUAL PROVISIONAL BROKER COUNT



ANNUAL BROKER-IN-CHARGE/BIC-ELIGIBLE




ANNUAL LICENSE ISSUANCES
12,000
10,000
8,000
6,000
4,000
2,000
-
2017
2018
2019
2020
2021
2022
Brokers
Firms


NC Real Estate Commission
Criminal Background Checks Ordered
Fiscal Years 2013-2024*
* as of October 31, 2023
21,500
16,500
11,500
6,500
1,500
6,836
7,643
8,839
10,732
11,799
12,319
12,821
20,819
13,608
11,531
3,840
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
Comparison to 2022-23: 3,840 constitutes 98% of the total in October

Project Summaries

	To protect the public interest in real estate brokerage transactions.
CCF	· To assure that applicants are competent and possess the requisite character and fitness.
Compl	· To assure that licensees comply with the Real Estate License Law and Commission rules.
Issues	· To identify and address issues affecting real estate consumers and licensees.
Admin	· To effectively and efficiently administer Commission programs and operations.

Deliverable	*Owner*	*Due Date*	*CCF*	*Compl*	*Issues*	*Admin*
1) Develop consumer resources on the Timeshare Act. [SWOT]	Thoren, Moody, Ross	12.31.23				
2) Research and consider rulemaking regarding BIC span of control.	Thoren, Vuotto	12.31.23				
3) Evaluate and create a plan to add EP/Instructor Pass Rate to Online Prelicensing Schedule.	Elder, Carpenter, Oglesbee	12.31.23				
4) Develop strategies to improve the efficacy of the annual Update Course, including assessment of the nature of General Update and BIC Update, to better address broker supervision.	Elder, Carpenter, Crawford Heath	12.31.23				
5) Expand school and career options, presentations, and events for high school students. [SWOT]	Elder, Mims, Ross	12.31.23				
6) Create a public awareness campaign regarding fraudulent vacation rentals. [SWOT]	Thoren, Ross	12.31.23				
7) Implement AI ADA compliance tool for webpages on the website. [SWOT]	Gore	12.31.23				
8) Consider using AI to translate the website to other languages. [SWOT]	Gore	12.31.23				

Deliverable	*Owner*	*Due Date*	*CCF*	*Compl*	*Issues*	*Admin*
9) Implement Granicus board software, including Commission member training.	Baer, Gore, Bills	12.31.23				
10) Review, update, and reorganize FAQ's and YouTube series for consumers. [SWOT]	Elder, Moody, Ross	3.31.24				
11) Explore legislation to allow the Commission to fine licensees.	Thoren, Moody	6.30.24				
12) Design and host with partner colleges and universities a panel series highlighting different careers and disciplines within the real estate profession. [SWOT]	Mims	6.30.24				
13) Develop parameters for partnerships between the NCREC and various industry partners. [SWOT]	Mims	6.30.24				
14) Facilitate an internship program where students are connected with industry employers for experiential learning throughout the academic school year (fall, spring, and summer). [SWOT]	Mims	6.30.24				
15) Facilitate opportunities for students to connect with industry professionals as mentors. [SWOT]	Mims	6.30.24				
16) Research gathering demographic data about licensees on the license application, as part of the license renewal process, and/or via a survey to existing licensees.	Baer, Elder, Gore, Mims	6.30.24				
17) Research AI Chatbot/Service desk options. [SWOT]	Gore	6.30.24				
18) Develop and implement an option for licensees to opt in or out of paper notices in favor of email notices. Consider whether all notices can be delivered by email rather than postal mail.	Elder, Gore, Harper, Hollings	6.30.24				
19) Increase Commission and staff knowledge on blockchain, smart contracts, and other new tech, by reaching out to early adopters in the real estate industry. [SWOT]	Tech Study Group	6.30.24				

Real Estate Commission Activities Schedule

Thursday, November 2, 2023

	Atty	Event	Respondent	Settl. Officer	CPO/ Inv.	Type	No.	Recusals
Wednesday, November 8, 2023								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
1:00 PM	***SD***	***Hrng***	***T. Williams (S)***			***A***	***23-3097***	
Thursday, November 9, 2023								
9:00 AM		Hearings						
9:00 AM	***KF***	***Hrng***	***W. Little, R. Clayton II (S)***	***Lindsey***	***CW***	***D***	***22-1027***	
Wednesday, December 13, 2023								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
1:00 PM	SD	Hrng	M. Effat			A	23-3171	
Thursday, December 14, 2023								
9:00 AM		Hearings						
9:00 AM	***CM***	***Hrng***	***A. Edison, M. Edison, Edison Realty LLC***	***O'Connor***	***CE***	***D***	***22-3377***	
9:00 AM	***KF***	***Hrng***	***A. Wallace, Superior Choice Prop., Inc.(S)***	***Black***	***NW***	***D***	***23-0297***	***Lindsey***
9:00 AM	***KF***	***Hrng***	***Z. Hall, J. Hall Jr.***	***Bullard***	***LJ***	***D***	***23-1509***	
9:00 AM	CM	Hrng	M. Towler, C. Hill, Christi Hill Inc.	Fox	CE	D	23-1852	Ramseur
9:00 AM	CM	Hrng	M. Sophie, A. Bennett, T. Hudson	O'Connor	DB	D	23-1854*	Ramseur
9:00 AM	***AG***	***Hrng***	***B. Smith, C. Alexander, Charlotte Homes & Rentals(S)***	***Fox***	***SG***	***D***	***23-1989***	
9:00 AM	KF	Hrng	J. Puma, J. Lynch	Lindsey	SH	D	23-2074	
9:00 AM	AG	Hrng	K. Hawkins	Black	SG	D	23-2582	
9:00 AM	***KF***	***Hrng***	***D. Patton(S)***	***Lindsey***	***SH***	***D***	***23-2922****	
Wednesday, January 17, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
1:00 PM	SD	Hrng	J. Gravely			A	23-3196	
Thursday, January 18, 2024								
9:00 AM		Hearings						
9:00 AM	***CM***	***Hrng***	***S. Beam, Charleston Oaks Enterprise LLC(S)***	***Black***	***MSH***	***D***	***21-1808, 3242, 22-0275***	
9:00 AM	***AG***	***Hrng***	***P. Seter(S)***	***Aceto***	***JH***	***D***	***22-0284***	
9:00 AM	***KF***	***Hrng***	***S. Spencer(S)***	***Ramseur***	***SH***	***D***	***23-0484***	
9:00 AM	***CM***	***Hrng***	***B. Fulton(S)***	***Lindsey***	***CE***	***D***	***23-1484***	
9:00 AM	CM	Hrng	W. West V, H. Sandberg	Bullard	CE	D	23-1539	Black
9:00 AM	CM	Hrng	J. McDevitt, McDevitt Town & Country Prop	Black	DB	D	23-1667	
9:00 AM	KF	Hrng	V. Ganne, Eastside Realty LLC	Mallette	SH	D	23-3179	
Wednesday, February 14, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						

Bold & italics : Notice issued **(S): Served** * : Possible settlement D: Disciplinary A: Application

	Atty	Event	Respondent	Settl. Officer	CPO/ Inv.	Type	No.	Recusals
Thursday, February 15, 2024								
9:00 AM		Hearings						
9:00 AM	***AG***	***Hrng***	***E. Russell, T. Brooks, J. Holland, Burlington Market Center LLC (S)***	***Black***	***SG***	***D***	***23-0110***	
9:00 AM	AG	Hrng	K. Edwards Jr.	Aceto	BS	D	23-0894*	
9:00 AM	AG	Hrng	Asheville Property Mgmt INC, W. Bourke	Bullard	JH	D	23-1123, 1136	
9:00 AM	CM	Hrng	J. Robtoy, R. Underwood, Raleigh Realty Inc	Ramseur	DB	D	23-2077	
9:00 AM	CM	Hrng	D. Callahan	Bullard	DB	D	23-2252	
9:00 AM	CM	Hrng	D. Keith, R. Harvel, Premier Sandhills Ventures II LLC	Mallette	DB	D	23-2345	
9:00 AM	AG	Hrng	N. Mansar*, J. Ivey, Costello Real Estate & Investments Triangle LLC	Malarney	SG	D	23-2599	
9:00 AM	KF	Hrng	J. Burger, N. Burger, 360 Real Estate LLC	Mallette	NW	D	23-2868	
9:00 AM	KF	Hrng	L. Owens, M. Clark, Coastal Home Partners 2 LLC	O'Connor	SH	D	23-3054	Ramseur
9:00 AM	KF	Hrng	A. Jordan	Ramseur	SF	D	23-3336	
Wednesday, March 13, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
Thursday, March 14, 2024								
9:00 AM		Hearings						
9:00 AM	KF	Hrng	J. McCullum	Black	SH	D	22-3451	
9:00 AM	KF	Hrng	D. Holloman, J. Weldon, Carolina Homes Connection LLC	Fox	MG	D	23-0319	Black
9:00 AM	AG	Hrng	R. Lindau, J. Christensen	Mallette	BH	D	23-1773	
9:00 AM	AG	Hrng	M. Miranda	Fox	BH	D	23-2567	
9:00 AM	CM	Hrng	D. Zelinski, M. Carlton, A. DeMars, RE III INC	Aceto	CE	D	23-2810	Ramseur
9:00 AM	KF	Hrng	W. Hawkins, W. Collins, R. Hawkins Jr., T. Warden, K. Rush, Coastal Associates Realty LLC	Ramseur	SF	D	24-0126	
Wednesday, March 27, 2024								
9:00 AM		Hearings (Additional)						
Thursday, March 28, 2024								
9:00 AM		Hearings (Additional)						
Wednesday, April 24, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						

Real Estate Commission Activities Schedule

Monday, November 6, 2023

	Atty	Event	Respondent	Settl. Officer	CPO/ Inv.	Type	No.	Recusals
Wednesday, November 8, 2023								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
1:00 PM	***SD***	***Hrng***	***T. Williams (S)***			***A***	***23-3097***	
Wednesday, December 13, 2023								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
1:00 PM	SD	Hrng	M. Effat			A	23-3171	
Thursday, December 14, 2023								
9:00 AM		Hearings						
9:00 AM	***CM***	***Hrng***	***A. Edison, M. Edison, Edison Realty LLC***	***O'Connor***	***CE***	***D***	***22-3377***	
9:00 AM	***KF***	***Hrng***	***A. Wallace, Superior Choice Prop., Inc.(S)***	***Black***	***NW***	***D***	***23-0297***	***Lindsey***
9:00 AM	***KF***	***Hrng***	***Z. Hall, J. Hall Jr.***	***Bullard***	***LJ***	***D***	***23-1509***	
9:00 AM	CM	Hrng	M. Towler, C. Hill, Christi Hill Inc.	Fox	CE	D	23-1852	Ramseur
9:00 AM	CM	Hrng	M. Sophie, A. Bennett, T. Hudson	O'Connor	DB	D	23-1854*	Ramseur
9:00 AM	***AG***	***Hrng***	***B. Smith, C. Alexander, Charlotte Homes & Rentals(S)***	***Fox***	***SG***	***D***	***23-1989***	
9:00 AM	KF	Hrng	J. Puma, J. Lynch	Lindsey	SH	D	23-2074	
9:00 AM	AG	Hrng	K. Hawkins	Black	SG	D	23-2582	
9:00 AM	***KF***	***Hrng***	***D. Patton(S)***	***Lindsey***	***SH***	***D***	***23-2922****	
Wednesday, January 17, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
1:00 PM	SD	Hrng	J. Gravely			A	23-3196	
Thursday, January 18, 2024								
9:00 AM		Hearings						
9:00 AM	***CM***	***Hrng***	***S. Beam, Charleston Oaks Enterprise LLC(S)***	***Black***	***MSH***	***D***	***21-1808, 3242, 22-0275***	
9:00 AM	***AG***	***Hrng***	***P. Seter(S)***	***Aceto***	***JH***	***D***	***22-0284***	
9:00 AM	***KF***	***Hrng***	***S. Spencer(S)***	***Ramseur***	***SH***	***D***	***23-0484***	
9:00 AM	***CM***	***Hrng***	***B. Fulton(S)***	***Lindsey***	***CE***	***D***	***23-1484***	
9:00 AM	CM	Hrng	W. West V, H. Sandberg	Bullard	CE	D	23-1539	Black
9:00 AM	CM	Hrng	J. McDevitt, McDevitt Town & Country Prop	Black	DB	D	23-1667	
9:00 AM	KF	Hrng	V. Ganne, Eastside Realty LLC	Mallette	SH	D	23-3179	
Wednesday, February 14, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						

Bold & italics : Notice issued **(S): Served** * : Possible settlement D: Disciplinary A: Application

	Atty	Event	Respondent	Settl. Officer	CPO/ Inv.	Type	No.	Recusals
Thursday, February 15, 2024								
9:00 AM		Hearings						
9:00 AM	***AG***	***Hrng***	***E. Russell, T. Brooks, J. Holland, Burlington Market Center LLC (S)***	***Black***	***SG***	***D***	***23-0110***	
9:00 AM	AG	Hrng	K. Edwards Jr.	Aceto	BS	D	23-0894*	
9:00 AM	AG	Hrng	Asheville Property Mgmt INC, W. Bourke	Bullard	JH	D	23-1123, 1136	
9:00 AM	CM	Hrng	J. Robtoy, R. Underwood, Raleigh Realty Inc	Ramseur	DB	D	23-2077	
9:00 AM	CM	Hrng	D. Callahan	Bullard	DB	D	23-2252	
9:00 AM	CM	Hrng	D. Keith, R. Harvel, Premier Sandhills Ventures II LLC	Mallette	DB	D	23-2345	
9:00 AM	AG	Hrng	N. Mansar*, J. Ivey, Costello Real Estate & Investments Triangle LLC	Malarney	SG	D	23-2599	
9:00 AM	KF	Hrng	J. Burger, N. Burger, 360 Real Estate LLC	Mallette	NW	D	23-2868	
9:00 AM	KF	Hrng	L. Owens, M. Clark, Coastal Home Partners 2 LLC	O'Connor	SH	D	23-3054	Ramseur
9:00 AM	KF	Hrng	A. Jordan	Ramseur	SF	D	23-3336	
Wednesday, March 13, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						
Thursday, March 14, 2024								
9:00 AM		Hearings						
9:00 AM	KF	Hrng	J. McCullum	Black	SH	D	22-3451	
9:00 AM	KF	Hrng	D. Holloman, J. Weldon, Carolina Homes Connection LLC	Fox	MG	D	23-0319	Black
9:00 AM	AG	Hrng	R. Lindau, J. Christensen	Mallette	BH	D	23-1773	
9:00 AM	AG	Hrng	M. Miranda	Fox	BH	D	23-2567	
9:00 AM	CM	Hrng	D. Zelinski, M. Carlton, A. DeMars, RE III INC	Aceto	CE	D	23-2810	Ramseur
9:00 AM	KF	Hrng	W. Hawkins, W. Collins, R. Hawkins Jr., T. Warden, K. Rush, Coastal Associates Realty LLC	Ramseur	SF	D	24-0126	
Wednesday, March 27, 2024								
9:00 AM		Hearings (Additional)						
Thursday, March 28, 2024								
9:00 AM		Hearings (Additional)						
Wednesday, April 24, 2024								
9:00 AM		Commission Meeting						
1:00 PM		Hearings						

LICENSE APPLICANTS
November 2023

Character

Determination as to whether the following applicants possess the character for real estate licenses:

Page #	Case #	License Type	Recommendation
1.	A24-0800	Broker	Approve
3.	A24-0865	Broker	Continue
5.	A24-0919	Broker	Approve
6.	A24-0942	Broker	Approve
8.	A24-0947	Broker	Defer
16.	A24-0993	Broker	Approve
18.	A24-1002	Broker	Continue
23.	A24-1047	Broker	Continue
26.	A24-1063	Broker	Approve w/ Conditions

Approve: License granted	***Continue:*** Character conference	***Defer:*** Hearing	***Approve with Conditions; otherwise Defer:*** Seek settlement	***Postpone:*** Decision pending

CHARACTER SUMMARY

Name: A24-0800 **Age:** 60 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: No **Status upon Licensure**: Provisional Broker

Employment: Yes, Golf Pro **Since:** November 2021

CRIMINAL CONVICTIONS:

Drug Paraphernalia – Possession (WA) **Sentence:** $1,000.00 (Suspended), 90 Days (89 Days Suspended)

Date of Offense: 1/21/2004 **Date of Conviction:** 3/10/2005

Felony Controlled Substances – Possession – No Prescription (WA)

Sentence: 30 Days, 6 Months' Probation (S)

Date of Offense: 12/4/2004 **Date of Conviction:** 3/9/2006

According to the applicant (41 y/o), around 2004 he was in a very vulnerable position where he was in the process of losing a business, their house, and an 18-month old grandson that he and his wife had been raising after their 17 y/o daughter got pregnant and the child's father was able to gain custody. He stated he was a bit down and out and ended up running into a high school friend at a store. He stated after they got to talking about their life's troubles, his friend offered him some cocaine which he ended up taking to help relieve him from his grieving and depression. The applicant stated he used cocaine off and on for about a year. The applicant stated its use ended up leading to his arrest on 1/2/2004 for a having cocaine straw and then later an arrest for having about $20 worth of cocaine on him. The applicant stated after that, he never touched it again.

Disorderly Conduct – Fighting (AZ)
Failure to Appear **Sentence:** $385.00

Date of Offense(s): 7/23/2021 **Date of Conviction:** 2/14/2022

According to the applicant (58 y/o), they were in the process of moving to North Carolina and their move got pushed back by 30 days. He stated the job he had lined up in NC was given to someone else and the medical clinic where his wife was working abruptly closed, so he was worried and stressed about money issues at the time. He stated he is not a drinker but on this day he decided to sit on his porch a drink a pint of scotch. The applicant stated he got intoxicated and started wondering why he had so much dog poop in his yard and decided it was the neighbor's kid who had been throwing it over the fence as a result of previously telling him a few times to turn down his music. The applicant stated he got angry and headed to the back yard to confront the neighbors when his son-in-law tried to stop him. He stated they got into a wrestling match / fight in the back yard. He stated a neighbor called the police and by the time they got there, he was extremely intoxicated and now embarrassed and upset as this incident had occurred in front of his grandchildren. He stated he recalls the police talking to him in an effort to calm him down but he doesn't recall what he said to them and the next thing he does remember is being in the back of the police car. The applicant stated he spent the night in jail and the next day explained to the judge that he was leaving the state in a few days and he was given permission to do so and was required to take an online anger management class. He stated he was not

charged with a violence or fighting charge or for a 'Failure to Appear' which was dropped at his sentencing, so he is not sure why they show up on his record like this.

The applicant stated these blemishes on his record are very shameful to him and that otherwise he has been a pretty good and respectable part of society. He stated he has a background as a real estate appraiser in Washington State and managed two apartment complexes there. He stated he would like have a NC real estate license as his retirement career for the next 10 years.

COMMENTS: *Applicant has no other charges or convictions on his CRC Report.*

RECOMMENDATION: ☒ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-0865 **Age:** 40 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: No **Status upon Licensure**: Provisional Broker

Employment: Yes, Healthcare Co. – Customer Service Representative **Since:** July 2020
Yes, Restaurant Server **Since:** July 2017
**NOTE: Application date is 4/12/2023*

CRIMINAL CONVICTIONS:

Felony Conspiracy to Distribute More than 500 Grams of Cocaine - Schedule II Controlled Substance (US District Court)

Sentence: $100.00, 24 Months (w/ Credit / Time Served), 2 Years' Supervised Release w/ Various Requirements

Date of Offense: 4/4/2012 – 4/6/2012
Date of Filing/Indictment: 8/22/2012
Date of Conviction/Plea: 1/17/2013
Date of Judgment/Sentencing: 4/8/2013

According to the US District Court Documents, the defendant (applicant) did conspire with four other co-conspirators / defendants and knowingly and intentionally combine, conspire and confederate with each other and others known and unknown to the Grand Jury, to distribute more than 500 grams of cocaine a Schedule II controlled substance.

Plea Agreement and Admission of Factual Information
According to the US District Court Plea Agreement, on 4/6/2012 at approximately 9:45am, a Trooper with the Arkansas State Police working routine patrol on Interstate 30, observed two black vehicles traveling east bound on I-30 that appeared to be speeding. The trooper clocked the lead car at 76 / 70 mph Zone, turned around and began to pursue them. While passing the rear vehicle, the trooper noticed that the front passenger had turned around and was watching the trooper as he went by. The trooper pulled in between the two vehicles and stopped the lead car which was a Dodge Caliber with a NC License Tag. Further investigation revealed this vehicle was rented by the driver (defendant/applicant) from Enterprise rental. After getting the suspect / lead vehicle stopped, the trooper explained to the defendant why she was stopped. After speaking with the female passenger/co-defendant of the vehicle, the trooper requested and received consent to search the vehicle. During the search of the vehicle, the troopers located approximately 1.5 kilos of cocaine and the females were arrested. Subsequent to this stop, additional troopers stopped the co-defendants' car further down the interstate with the three male co-defendants inside. That car was also a rental vehicle and had been rented by the female passenger in the lead car driven by the defendant/applicant. A cell phone dump was conducted at the scene which revealed numerous calls and text messages between the defendant/applicant, her female passenger and the male co-defendants in the second car.

According to the court documents, the defendant/applicant was subsequently interviewed and agreed to cooperate with the investigation. She provided statements implicating the other co-conspirators / defendants and indicated she was recruited by the others to transport the narcotics from a source in Texas back to North Carolina, ultimately for distribution. Based on the investigation, the phone and text message records exchanged and statement of cooperating co-defendants, the government could prove the defendant/applicant conspired to possess with intent to distribute cocaine.

2/1/2013 Pretrial Release Conditions Violation: On 1/23/2013, the defendant/applicant tested positive for the use of marijuana in violation of her pretrial release conditions. She subsequently admitted to using marijuana on 1/8/2013 and 1/9/2013. The applicant was arrested for this violation on 2/15/2013 and she was detained until her sentencing date.

According to the applicant (28 y/o), back in 2013 her friend was dating a guy and he and his cousins needed to go out of town. She stated her friend at the time asked her if she wanted to go and not knowing all of the details but trusting her friend, she agreed to go. The applicant stated her friend told her they needed to rent two cars because they were five of them going so, she got a rental car in her name and her friend got one in her name. The applicant stated the guys told them they were driving to Texas and once they got there, they would rest for a day and then drive back. The applicant stated once they arrived in Texas, the guys allowed them to rest while they went out for a run and used the rental car that was in her name. The applicant stated when the guys returned, they told them they were ready to head back to North Carolina but they would be making a stop in Arkansas. She stated the guys made the two females ride in the car that she had rented and the three guys rode in the car the other girl had rented.

The applicant stated after several hours on the road, they were pulled over by the police for an unknown reason and after they were asked if their car could be searched, the officers found cocaine and jewelry in the glove compartment. The applicant stated they were both arrested and she got upset because she didn't know what was going on. She stated her friend apologized to her and they both stated the drugs were not theirs. She stated the guys in the other car were also stopped and claimed the drugs were not theirs either. The applicant stated the police told the two of them they knew the drugs were not theirs because someone had tipped them off about the drugs. She stated they were basically being used as mules and got caught up in the situation. She stated she was eventually sentenced to 24 months in federal prison but only had to do 14 months active with six (6) months in a half-way house. She stated after being released, she remained in Arkansas because she had no family support and volunteered in the community, worked two jobs seven days a week and learned how to be independent until she finished her probation. The applicant stated she moved back to North Carolina in 2018 and made a promise to herself to be careful who she considers a friend as well as the people she associates with. She stated she is working two jobs now but wants more for herself and a new career.

COMMENTS: *The applicant has no other convictions of any kind on her CRC Report.*

RECOMMENDATION: ☐ **APPROVE** ☒ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-0919 **Age:** 42 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: No **Status upon Licensure**: Provisional Broker

Employment: Yes, Self-Employed Operations / Logistics **Since:** June 2019

CRIMINAL CONVICTIONS:

Simple Worthless Check $217.03 **Sentence:** $110.00 + $217.03 Restitution (Paid)
Date of Offense: 11/16/2006 **Date of Conviction:** 11/29/2007

An explanation was not provided and one was not requested. The applicant was 25 y/o.

Improper Use of Temporary Dealer Permit / Tag
Improper Use of Temporary Dealer Permit / Tag
Sentence: $390.00
Date of Offense: 8/1/2018 **Date of Conviction:** 12/18/2018

Failure to Deliver Title **Sentence:** $280.00, 10 Days, 12 Months' Probation (U)
Date of Offense: 6/15/2018 **Date of Conviction:** 8/20/2020

According to the applicant (37 y/o), these offenses / charges originated from a former business associate of his auto dealership that he previously owned and operated from 2015 – 2018. He stated at the time and after ceasing operations in that business, he was dealing with some health challenges and had lost sight of some of the activities that the former associate had not completed as needed. In the 'Failure to Deliver Title' issue, he stated the financial institution that financed a vehicle for a consumer didn't receive the required title work and registration of the vehicle for their client within the required time period. He stated after being notified, the issue was resolved quickly.

In the 'Improper Use of Temporary Dealer Permit' issue, he stated this was where the former business associate unlawfully used and allowed a customer to use a dealer tag/permit after the expiration of the temporary vehicle tag. The applicant stated all of these charges were related to the same customer and transaction and the customer was not harmed during the process. He stated he does realize that he should have been more aware and attentive to the details of his business matters regardless of the health issues he was having at the time which he also explained during court. The applicant stated that ultimately, he was responsible for the activities of his business and has since learned from that error.

NOTE: These three (3) convictions are Class 2 Misdemeanors.

NOTE: The applicant has the following convictions from 1998 – 2020 otherwise; Noise Ordinance Violation, Speeding 54/35 mph Zone, Expired Registration Card/Tag (3), Improper Equipment – Speedometer (I), and Failure to Wear Seat Belt-Rear Seat (I).

COMMENTS: *None*

RECOMMENDATION: ☒ APPROVE ☐ CONT. ☐ POSTPONE ☐ APPROVE W/COND. ☐ DEFER

CHARACTER SUMMARY

Name: A24-0942 **Age:** 45 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: No **Status upon Licensure**: Provisional Broker

Employment: None, Disability **Since:** June 2019

CRIMINAL CONVICTIONS:

Underage Possession of Alcohol (OH) **Sentence:** Guilty; 1 Year, 10 Months' Probation
Date of Offense: 12/8/1997 **Date of Conviction:** 1/23/1998

An explanation was not provided and based on the age / level of the offense, one was not requested. The applicant was 19 y/o at the time of the offense.

Driving Under the Influence (OH) **Sentence:** 3 Days, 2 Years' Probation
Date of Offense: 6/18/2001 **Date of Conviction**: 8/1/2001

According to the applicant (22 y/o), while in college, he attended a post-rugby party in a residential neighborhood where he had some drinks. He stated at some point a female friend of his needed someone to drive her home and being young and dumb, he volunteered to drive her. He stated her truck had a manual transmission which he wasn't used to and after he accidently squealed the tires, he was pulled over by the police and arrested for DUI.

Driving While Impaired – Level 5 **Sentence:** $100.00, 60 Days, 12 Months' Probation (U), 24 Hours Community Service
Date of Offense: 9/4/2009 **Date of Conviction:** 9/27/2011

According to the applicant (30 y/o), he attended a bonfire event the night before that lasted later than it should have. He stated he woke up late for work the next morning and as he was rushing to get to work and driving on unfamiliar country roads, he took his eyes off the road to look at his GPS and came to a T-intersection. The applicant stated he couldn't stop in time and ended up sliding into a soybean field. He stated once the police arrived he was arrested for DWI. He stated this conviction resulted in a one-year driver's license revocation.

NOTE: The applicant's eCourt record does not have specific details of the incident other than he was also charged with 'Failure to Stop at Stop Sign/Flashing Red Light' and the applicant was marked as a refusal for a breathalyzer test.

Driving While Impaired – Level 2 **Sentence:** $550.00, 12 Months (7 Days Active), 24 Months' Probation (U)
Date of Offense: 2/28/2017 **Date of Conviction:** 12/18/2017

According to the applicant (38 y/o), he was going through some rough times with his former partner and the two of them had been drinking at the beach. He stated after returning home, they decided to go to town to get some food and more supplies for the house as they couldn't get out much. He stated his partner didn't have a license and he was recovering from a recent back injury. The applicant stated as he was driving to town, an animal crossed the road in front of them and he had to swerve to miss it. He stated he was wearing a back brace at the time that limited his mobility and while trying to regain control of the car, he overcorrected,

lost control and went down into a ditch. The applicant stated as a result of his conviction, he was required to have an Ignition Interlock Device for two years after his license was revoked for a year.

NOTE: Per ACIS and the NC Highway Patrol Collision Report, the applicant was arrested at 3:22pm, he was involved in a single vehicle accident with property damage and he registered a .20 BAC on a breathalyzer test.

Substance Abuse Treatment Summary

The applicant stated his past mistakes have led to positive life lessons and he is proud to say that he is in long term recovery from alcoholism. He stated following these events, he graduated from a treatment facility for substance abuse and continues to work with a psychologist, a therapist, and also has a sponsor in a 12-Step program. He stated he also does volunteer outreach work with other younger men struggling with substance abuse issues in his hometown.

NOTE: The applicant has the following driving related convictions otherwise: Speeding (2000), Improper Equipment – Speedometer (I) (2017).

COMMENTS: *None*

RECOMMENDATION: ☒ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-0947 **Age:** 33 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: No **Status upon Licensure**: Provisional Broker

Employment: Yes, Truck Driver **Since:** January 2022

CRIMINAL CONVICTIONS:

CONVICTIONS SUMMARY

Conviction Date of 1/8/2009 - *(Offense Dates: 3/18/2008 – 3/31/2008)*

20 - Felony Conspiracy to Commit Breaking or Entering
18 - Felony Breaking or Entering
9 - Felony Larceny after Break/Enter

Conviction Date of 1/8/2009 - *(Offense Date: 4/2/2008)*

1- Felony Possess Stolen Firearm
1- Felony Possess Gun on Education Property
1- Felony Possess Marijuana w/ Intent to Sell/Deliver
1- Felony Trafficking 28-200g Cocaine by Transport
1- Felony Trafficking 28-200g Cocaine by Possession

Conviction Date of 4/7/2015 - *(Offense Date: 7/30/2012)*

1 **Felony Solicitation to Commit 1st Degree Murder**

Conviction Date of 9/24/2015 - *(Offense Dates: 8/25/2011 – 9/8/2011)*

2 Felony Sell/Deliver Marijuana
2 Felony Possess w/ Intent to Sell/Deliver Marijuana
1 Felony Conspiracy to Sell/Deliver Marijuana
2 Felony Sell/Deliver Hydrocodone
2 Felony Possess w/ Intent to Sell/Deliver Hydrocodone
1 Felony Maintain Vehicle/Dwell/Place for Controlled Substances
1 Felony Possess Firearm by Felon

Conviction Date of 10/28/2020 - *(Offense Date: 12/4/2019)*

1 Felony Possess Phone / Communication Device by Inmate

(52 Individual Case Numbers)(65 Individual Felony Convictions)

Felony Conspiracy to Commit B&E
Date of Offense: 3/18/2008
Felony Breaking and/or Entering

Felony Larceny after Break/Enter **Sentence:** (Consolidated); 5-6 Months, 60 Months' Probation (S)
Date of Offense: 3/18/2008 **Date of Conviction:** 1/8/2009

Felony Conspiracy to Commit B&E
Date of Offense: 3/26/2008

Felony Breaking and/or Entering
Felony Larceny after Break/Enter
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S)
Date of Offense: 3/26/2008
Date of Conviction: 1/8/2009

Felony Break and/or Entering
Date of Offense: 3/27/2008

Felony Break and/or Entering
Felony Larceny after Break/Enter
Date of Offense: 3/27/2008

Felony Break and/or Entering
Felony Larceny after Break/Enter
Date of Offense: 3/27/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/27/2008

Felony Break and/or Entering
Felony Larceny after Break/Enter
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S)
Date of Offense: 3/27/2008
Date of Conviction: 1/8/2009

Felony Conspiracy to Commit B&E
Date of Offense: 3/27/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/27/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/27/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/27/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/27/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/27/2008
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S)
Date of Conviction: 1/8/2009

Felony Conspiracy to Commit B&E
Date of Offense: 3/28/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/28/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/28/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/28/2008
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S)
Date of Conviction: 1/8/2009

Felony Breaking and/or Entering
Date of Offense: 3/28/2008

Felony Breaking and/or Entering
Date of Offense: 3/28/2008

Felony Breaking and/or Entering
Date of Offense: 3/28/2008
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S),
Date of Conviction: 1/8/2009

Felony Conspiracy to Commit B&E
Date of Offense: 3/29/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/29/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/29/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/29/2008
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S)
Date of Conviction: 1/8/2009

Felony Breaking and/or Entering
Date of Offense: 3/29/2008

Felony Breaking and/or Entering
Felony Larceny after Break/Enter
Date of Offense: 3/29/2008

Felony Breaking and/or Entering
Felony Larceny after Break/Enter
Date of Offense: 3/29/2008

Felony Breaking and/or Entering
Date of Offense: 3/29/2008

Felony Breaking and/or Entering
Date of Offense: 3/29/2008
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S),
Date of Conviction: 1/8/2009

Felony Attempt Break or Enter Building
Date of Offense: 3/30/2008

Felony Breaking or Entering
Felony Larceny after Break/Enter
Date of Offense: 3/30/2008

Felony Breaking and/or Entering
Date of Offense: 3/29/2008
Sentence: (Consolidated); $241.50 + $11,969.76 Restitution, 5-6 Months, 60 Months' Probation (S),
Date of Conviction: 1/8/2009

Felony Conspiracy to Commit B&E
Date of Offense: 3/30/2008

Felony Conspiracy to Commit B&E
Date of Offense: 3/30/2008
Sentence: (Consolidated); 5-6 Months, 60 Months' Probation (S) at Expiration of Case # 08CRS-099640
Date of Conviction: 1/8/2009

Felony Conspiracy to Commit B&E
Date of Offense: 3/31/2008

Felony Breaking and/or Entering
Felony Larceny After Break/Enter **Sentence:** (Consolidated); 5-6 Months, 60 Months' Probation (S) at Expiration of Case #09CRS-099637
Date of Offense: 3/31/2008 **Date of Conviction:** 1/8/2009

Felony Possess Stolen Firearm
Date of Offense: 4/2/2008

Felony Possess Gun, etc. on Education Property
Date of Offense: 4/2/2008

Felony Possess Marijuana w/ Intent to Sell/Deliver
Date of Offense: 4/2/2008

Felony Trafficking 28-200g Cocaine by Transport
Date of Offense: 4/2/2008

Felony Trafficking 28-200g Cocaine by Possession
Sentence: (Consolidated); $50,000 Fine – Civil Judgment, 35 – 42 Months Active, 2/24/2011 Final Discharge from NCDOC / Restoration of Rights from NCDOC
Date of Offense: 4/2/2008 **Date of Conviction:** 1/8/2009

According to the applicant (17 y/o), when he was a teenager he used to hang with the wrong crowd. He stated they used to break into people's homes. He stated it was stupid and he didn't realize at the time how much he was hurting families and he regrets it. The applicant stated while doing one of those breaking and/or entering offenses, they found a lot of drugs. He stated at the time they didn't know what to do with them so while he was driving around with them in his truck, he was caught with the drugs in his car in high school.

NOTE: Per a 4/3/2008 news media article discovered by NCREC Staff, the applicant was arrested at a high school where he was a junior. Deputies charged him with felony possession of stolen goods, misdemeanor possession of a handgun by a minor, two counts of felony possession of weapons on school property and three felony counts of drug possession, sell and deliver. Deputies discovered the drugs and weapons after school leaders looked into reports of a drug deal in a school bathroom and later found marijuana, cocaine and weapons in a vehicle on campus. The weapons included a .38 revolver that had been stolen on 3/27/2008 and a .223 caliber Saiga assault rifle with a 30 round full magazine.

Name: A24-0947

Felony Solicitation to Commit 1st Degree Murder

Sentence: 73 – 100 Months Active (904 Days Credit/Time Served)

Date of Offense: 7/30/2012 **Date of Conviction:** 4/7/2015

*NOTE: This offense occurred after the below felony drug offenses & *'Felony Possession of a Firearm by a Felon'* offense but this conviction came first.

According to the applicant (21 y/o), he was out partying with some ex-associates of his that were all females. He stated two of the females got into a fight with their ex-partners who were also females. He stated they left the club and by the time they got back to the female's apartment, there were a bunch of females outside and they all started fighting. The applicant stated that he and some guys who were out there watching the fight, saw that it was getting too intense so they broke it up. He stated they (assuming he meant one female and himself) then hopped back in the car and she drove off. He stated she begin to drive up to various people asking them if they had a gun. He stated when she pulled up to a guy that the applicant knew, the guy told her "yes" he had a gun and the guy got into the car with them. The applicant stated they went to a friend's apartment, then later the guy that they had picked up said he found a gun, so they left and went to get the gun. He stated then went back to the girl's apartment after getting the gun and they discovered her apartment had been broken into, had been trashed it and her dog had been stolen. The applicant stated as they were outside / driving around looking for the girl's dog, they drove around a corner and saw the same large group of people from earlier. He stated the female pulled up next to the crowd and begin to argue with them again. He stated she then pulled about 20 yards away, stopped the car and told the guy that had the gun to "blast that thing". The applicant stated the guy shot the gun out of the window a couple of times and then the female drove away. He stated they didn't know anyone had been hit. He stated as they were driving away from the scene, the female driver gave the guy with the gun "praise" and told him she would give him some money for what he did. The applicant stated the guy told the female to give the money to the applicant who would then give it to him. He stated no money was ever exchanged but since he agreed to get the money from the female and give it to the guy with the gun, he was charged with 'Solicitation to Commit 1st Degree Murder'.

NOTE: According to a 10/16/2012 news article discovered by NCREC Staff, the defendant ("applicant") was arrested by the Philadelphia, PA Police Department and FBI agents on 9/26/2012 and was subsequently charged *(by North Carolina Authorities)* with 1st degree murder of an 18 y/o male victim that was shot outside of his home around 4:00am on 7/30/2012. In addition, a female and male co-defendant(s) were also charged in that homicide. At the time of the news article, the relationship among the three suspects and the motive behind the shooting was being withheld due to the ongoing investigation. The investigators said they believed the applicant was trying to avoid detection by fleeing North Carolina.

NOTE: Per Google maps, the address where the shooting occurred was in a residential neighborhood near the end of a dead-end road.

NOTE: According to a 4/8/2015 news article discovered by NCREC Staff regarding the sentencing of the defendant ("applicant") and co-defendants, the Assistant District Attorney (ADA) said on the night prior to the shooting, the female co-defendant and the sister of the victim had gotten into an argument. He stated when the female defendant got home, she discovered her apartment had been broken into and her dog was missing. Thinking the victim's sister was responsible, she went to confront her. The ADA stated the female defendant picked up the applicant and asked him if he knew anyone who had a gun to which the applicant told her the male co-defendant did. The female defendant and the applicant went and picked up the other male co-defendant. Around 4:00am, the female drove to the victim's home with the applicant and the other male co-defendant in the backseat of the car. The ADA stated when they got there, the female remained in the car but started arguing with the victim's sister who was in the front yard with several family members. The ADA stated the male co-defendant then fired several shots and the female then sped away. The 18 y/o victim, who had stepped out of the house was hit in the chest and later died.

Felony Sell/Deliver Marijuana
Felony Possess w/ Intent to Sell/Deliver Marijuana
Date of Offense: 8/25/2011

Felony Sell/Deliver Marijuana
Felony Possess w/ Intent to Sell/Deliver Marijuana
Date of Offense: 9/8/2011

Felony Conspiracy to Sell/Deliver Marijuana
Date of Offense: 9/8/2011

Felony Sell/Deliver Hydrocodone
Felony Possess w/ Intent to Sell/Deliver Hydrocodone
Date of Offense: 9/8/2011

Felony Maintain Vehicle/Dwelling/Place for Controlled Substances
Date of Offense: 9/8/2011

Felony Sell/Deliver Hydrocodone
Felony Possess w/ Intent to Sell/Deliver Hydrocodone
Sentence: (Consolidated); $394.50, 15 – 18 Months Active; *3/13/2012 PJC Continued to 5/14/2012*
Date of Offense: 8/23/2011 **Date of Conviction:** 9/24/2015

Felony Possess of Firearm by Felon **Sentence:** $649.50, 15 – 18 Months Active; *3/13/2012 PJC Continued to 5/14/2012*
Date of Offense: 9/8/2011 **Date of Conviction:** 9/24/2015

According to the applicant (20 y/o), when he was younger, he sold drugs to an undercover cop and when they went back to his house, they found a gun. He stated he was young and being raised by the streets, he thought he needed a gun for his safety.

9/24/2015 Probation Violation / Revocation: Per NCDOC Offender History Records, this appears to be a revocation of his 5 Year Probation Term that he received for his various Felony B&E's / Larceny convictions on 1/8/2009. He received 5 - 6 Months Active with 180 Days Credit/Time Served (9/24/2015 – 2/17/2016). This revocation is also listed under several other case numbers.

Felony Possess Phone / Communication Device by Inmate
Sentence: 14 – 26 Months Active
Date of Offense: 12/4/2019 **Date of Conviction:** 10/28/2020

According to the applicant (29 y/o), they used to have a cell phone inside to reach people in society and handle different things that were hard to do on the wall phone due to the fact that it cost people in society money to accept a call. He stated they were not supposed to have cell phones and he shouldn't have had one in the first place.

NC Department of Corrections' Offender History

(Total Incarceration Time – all convictions/probation violations: 11 Years, 3 Months, 25 days.)
Most Recent Period of Incarceration: 4/7/2015 – 12/27/2021
Parole / Post-Release Supervision: 12/27/2021 – 12/27/2022

LICENSE DISCIPLINARY ACTIONS:

North Carolina Real Estate Commission
Action: License Application Denial
Date: 7/20/2023

The applicant previously applied for licensure in March 2023 and following a Commission Hearing on 7/20/2023 regarding his requisite character, integrity and fitness for licensure as a real estate broker, his application was denied.

COMMENTS: *The applicant included three (3) character letters with this application that were previously included in his original March 2023 application.*

RECOMMENDATION: ☐ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☒ **DEFER**

CHARACTER SUMMARY

Name: A24-0993 **Age:** 42 y/o

Applicant for: ☒ Broker (☐Exam/ ☒ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, VA (12/2017 – Current)

Status upon Licensure: Provisional Broker

Employment: Yes, Realtor – Selling Real Estate **Since:** December 2017

CRIMINAL CONVICTIONS:

Obstruction of Justice (VA) **Sentence:** $457.00, 30 Days (Suspended)
Date of Offense: 11/20/2001
Date of Arrest: 5/14/2002 **Date of Conviction:** 5/2/2003

According to the applicant (20 y/o), she was driving with a friend to visit her parents for fall break during college. She stated she was pulled over for speeding and she had her friend's ID in her wallet and accidentally handed it to the police officer. She stated when he came back with her speeding ticket, she noticed she had given him the wrong ID but was too terrified to say anything to the officer, so she signed the ticket and then confessed to her friend. The applicant stated her friend said "no big deal" but when the ticket hit her insurance, she petitioned the police department to correct it. She stated that was when she got notified of the charges and had to get an attorney and confess to what she did. She stated the court dropped the original felony charge to a misdemeanor when they heard her story.

Possession of Marijuana (VA) **Sentence:** $566.00, 30 Days (Suspended), 6-Months' Driver's License Suspension
Date of Offense: 8/30/2011 **Date of Conviction:** 4/30/2012

According to the applicant (29 y/o), this is the day the SWAT team came to her house to arrest her for the below felony charge and she got this charge because she had a small amount of marijuana for personal use at her house they found after they searched it.

Felony Distribution of ½ Ounce – 5lbs of Marijuana (VA)
Sentence: $1,570.00, 3 Years (Suspended), 12 Months' Probation (S), 6-Months' Driver's License Suspension
Date of Offense: 3/18/2011
Date of Arrest: 11/15/2011 **Date of Conviction:** 5/11/2012

According to the applicant (29 y/o), her biological father had always been a very unhealthy individual and she always kept a very distant relationship with him. She stated this particular time, her boyfriend at the time (now husband) wanted to make a good impression with her father and convinced her to help her father and thus she allowed her father to talk her into bringing him a half ounce of marijuana. She stated this was a felony amount / act, even if no money was

exchanged. The applicant stated her father was living in Section 8 Housing at the time and usually had people hanging at his place and partying. She stated she took the bag of marijuana to him and unbeknownst to her, one of the guys at his place was an undercover police officer. She stated her father attempted to get her to bring more marijuana to him at the pushing of the undercover officer but she never would because she wasn't a drug dealer. The applicant stated eventually a SWAT team came to her house and arrested her, thinking she was part of a larger drug distribution ring which she was not. She stated the judge gave her a felony charge because he said she should have known right from wrong.

NOTE: The applicant received the 'Restoration of her Civil Rights' on 9/2/2016 by the Governor of Virginia which restored her right to vote, hold public office, serve on a jury and be a notary public.

Virginal Real Estate Board Licensure

The applicant stated the VA Real Estate Board were aware of her 2012 convictions (they only look back 10 years for convictions) during her 2017 application process. She stated she was required to show them her probation completion certificates and letters of recommendation but was not required to appear before their staff or Board. She stated her VA Salesperson license was issued without any restrictions or probationary conditions.

COMMENTS: *Applicant has no other charges or convictions listed on her CRC Report. She has no issues with her VA Real Estate Licensure.*

RECOMMENDATION: ☒ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-1002 **Age:** 53 y/o

Applicant for: ☒ Broker (☐Exam/ ☒ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, UT (3/15/2006 – Current)

Status upon Licensure: Provisional Broker

Employment: No, *(Previously Grocery Store Assistant Manager in VA)* **Since:** October 2023
(Previously Principle Broker (UT) (3/2018 - 7/2022)

CRIMINAL CONVICTIONS:

According to the applicant in an effort to provide some historic context to events that led to her criminal record, in 2004 she had a 12-hour brain surgery to remove a brain tumor and a second surgery to remove another tumor in 2015. She stated it is hard to put a number on the side effects of these major surgeries, but they included episodes of depression, anxiety, fatigue, short-term memory issues, etc. She stated she divorced her husband in 2008 after a 13 year marriage which ultimately strained the relationship with her daughter. The applicant stated since her brain surgery in 2004, she struggled mostly with fatigue and migraine headaches and her relationship with her daughter suffered. The applicant stated she was prescribed Adderall for several reasons around that time and she began to abuse it during the weeks she had her daughter as way to stay awake and spend more time with her. She stated she eventually ran out of her monthly prescription and as a result, added cocaine to the equation that led to weekly cycles of being wide-awake when she had her daughter and weeks of sleep when she didn't.

Possession or Use of a Controlled Substance (UT)
Impaired Driving **Sentence:** $1,540.00, 180 Days (Suspended), 36 Months' Probation, 30 Hours Community Service

Date of Offense: 5/7/2011 **Date of Conviction:** 2/16/2012

According to the applicant (40 y/o), after leaving a horse show with her daughter, she was pulled over for not signaling to change lanes. She stated she tested negative for alcohol but she did not pass all of the field sobriety tests and subsequently the police drew blood for a drug/alcohol test. She stated she had done cocaine the night before and was upfront with the officer about that. The applicant state she entered a Plea of Abeyance and entered a 30-Day rehabilitation program at Passages in Malibu, CA. She stated Utah sentenced her to random drug tests and to attend group therapy five times a week.

NOTE: Per Court Records, the applicant was pulled over for a lane change violation and upon investigation and due to the smell of alcohol, she was given field sobriety tests which she could not successfully complete. Upon a search incident to arrest, the police found cocaine and a straw containing cocaine residue in her purse. She registered a .05 BAC on a breathalyzer test.

Impaired Driving (UT)

Sentence: $1,550.00, 180 Days (178 Days Suspended), 12 Months' Probation (S), Ignition Interlock Device for Duration of Probation, Random Tests, .00 BAC Restriction, Various Probation Requirements

Date of Offense: 11/14/2012

Date of Conviction: 3/26/2014

According to the applicant (42 y/o), she was arrested for DUI. She stated since her surgery and frequent migraines, her neurologist prescribed her Ambien to use when the headaches occurred and this was the first time in ten years of intermittent use that it had affected her. She stated as result of her prior arrest, Utah continued her probation period, extended the random drug tests, required that an Ignition Interlock Device be installed in her car and for her to take more group and individual therapy.

Driving under the Influence of Alcohol/Drugs (UT)

Sentence: $2,890.00, 62.5 Days, 5 Years' Prison (Suspended), 3 Years' Probation (S), Ignition Interlock Device until 12/21/2021, Random Testing, Substance Abuse Assessment / Treatment, Various Probation Requirements; *Probation terminated on 3/16/2021*

Date of Offense: 2/7/2017

Date of Conviction: 11/5/2018

According to the applicant (46 y/o), while working at a local film festival and driving to pick up some festival publications, she was pulled over for a lane violation. She stated by this time, her therapists and doctors had told her that she would likely not pass several of the impaired driving field sobriety tests due to her brain surgeries. She stated she told the officer this but she was arrested and blood tested. The applicant stated she tested positive for a valid prescription she was taking at the time but to her surprise, the levels in her blood were high. She stated the doctor believed this was due to her daily consumption of the medication and a lower metabolism due to her surgeries. The applicant stated she took a plea agreement so she could promptly move back to North Carolina to aid in the care of her ailing parents. She stated her three (3) year probation was transferred to NC and her probation was eventually terminated by Utah in 2021. <u>She stated through endless therapy and working with her doctors, she is no longer taking Ambien, Adderall or any similar drug</u>.

<u>NOTE</u>: Per Court Records, the applicant was stopped by the police for her inability to stay in her lane of travel. Upon investigation by the police, she had slow speech, balance issues, constricted pupils and difficulty following instructions. She failed the standard filed sobriety tests and a subsequent blood draw chemical test revealed she had Alprazolam (e.g. Xanax) as well as methamphetamine and amphetamine in her system. The applicant admitted to consuming Xanax and Adderall prior to driving.

LICENSE DISCIPLINARY ACTIONS:

According to the applicant, any disciplinary actions taken by the Utah Real Estate Commission coincided with her previous convictions and those explanations. She stated in over 20 years of real estate activities, she has never received any disciplinary actions relative to a client, other agent, or other person related to business associated with real estate.

Utah Division of Real Estate (#RE-12-61439)

Action: $750.00 Civil Penalty and License placed on Probation for remainder of the current licensing period; If Respondent applies for renewal, the Division may grant the renewal with the following conditions; (1) she demonstrates she is compliant with all terms of her criminal probation. (2) Her license shall remain on probation during any time she is on criminal probation for her 2/16/2012 *'Possession/Use of Controlled Substance'* and *'Impaired Driving'* convictions. (3) Respondent is responsible for notifying the Division in writing when her criminal probation is terminated in order to have the probationary status lifted from her license.

Date: 2/20/2013

According to the Stipulation and Order, the Respondent was licensed as an Associate Broker. (1) The Respondent admitted that on 2/16/2012 she entered a Plea in Abeyance agreement to resolve her criminal charges for 'Possession/Use of a Controlled Substance' and 'Impaired Driving' and she was placed on three years of probation. (2) Respondent admitted she did not report her criminal Plea in Abeyance to the Division within 10 days of her 2/16/2012 conviction as required. (3) Respondent admits that on 4/11/2012, she used the Division's online renewal system to renew her license and answered "no" to the disclosure question: "Since the date on which you last submitted disclosure to the Division, have you entered into a Plea of Abeyance or diversion agreement to a felony, Class A Misdemeanor or Class B Misdemeanor?". Respondent admitted her falsification on her renewal application violated UT Administrative Code related to misrepresentation.

Utah Division of Real Estate (#RE-14-70143)

Action: Conditional Licensure Renewal; Real Estate Associate Broker license granted with Restriction. License is immediately suspended for 90 days from the date of her application (4/3/2014) and is thereafter placed on Probation for the remainder of the renewal period for as long as she remains on criminal probation in her 2/16/2012 *'Possession/Use of a Controlled Substance'* & *'Impaired Driving'* convictions case.

Date: 4/11/2014

According to the 'Order on Application for Renewal', on 4/3/2014 the applicant submitted an application to reinstate her license to practice as an associate broker. Previously, on 2/20/2013 the Division entered an order placing the applicant's associate broker's license on probation after considering her criminal history, including her Plea in Abeyance in her 2/16/2012 conviction of 'Possession/Use of a Controlled Substance' & 'Impaired Driving'. Applicant was on criminal probation for the court case and her associate broker's license remained on probation as well. The Applicant as

required, did provide proof that she was compliant with her criminal probation upon her application to for renewal.

Per the Order, the applicant was charged on 11/2/2013 with a misdemeanor 'Theft' charge in Utah County, UT and on 3/10/2014 pled guilty pursuant to a Plea in Abeyance agreement and that plea was held in abeyance for 12 months and she was ordered to attend court ordered classes and pay a fee. (*Not listed as a conviction in her CRC Criminal Record Report).

On 3/31/2013, Applicant was charged with 'Driving on Suspension' in Summit County, UT and on 1/29/2014 pled guilty to a Plea in Abeyance agreement and that plea was to be held in abeyance for 12 months (*Not listed as a conviction in her CRC Criminal Record Report). *It was discovered in the her renewal application review that she had not notified the Division within 10 business days of an entry of a Plea in Abeyance to her misdemeanor 'Theft' charge as required by UT Administrative Code.*

According to the Order, the applicant's criminal history during her past term of licensure demonstrated a lack of respect for the law and for the property of others and her failure to report her Plea in Abeyance to a misdemeanor involving theft to the Division within the time required, reflected negatively on her honesty, integrity and competency and it was determined she did not qualify for an unrestricted license. Per the Order, her application for licensure as an associate broker was granted with restriction. Her license was immediately suspended for 90 days from the date of her application (4/3/2014) and was thereafter placed on probation for the remainder of the renewal period, or in the event of the renewal of her license for another term, for such longer period as she remained on criminal probation in her 2/16/2012 'Possession/Use of a Controlled Substance' & 'Impaired Driving' convictions.

Utah Division of Real Estate (#RE-18-101547)
Action: Conditional Licensure; Principal Broker Licensure granted but placed on Probation for the remainder of the (2- Year) renewal period.
Date: 9/21/2018

According to the 'Order on Application for Reinstatement', the applicant was charged with a '3rd Degree Felony - Driving under the Influence' on 2/7/2017 and pled not guilty. At the time of her 6/15/2018 application for Reinstatement, the charge was still pending. According to the Order, the applicant's criminal history demonstrated a lack of respect for the law and the safety of others, which reflected negatively on her reputation and integrity and the Division had concerns about the number and serious nature of her criminal offenses. Therefore, the applicant did not meet the requirements for an unrestricted license.

Utah Division of Real Estate (#RE-21-126039)
Action: Conditional Licensure as a Principal Broker; license is placed on probation for the 2-Year renewal period
Date: 4/1/2021
Revised: 9/28/2021

CHARACTER SUMMARY
(Page 5)

Name: A24-1002

According to the 'Order on Application for Reinstatement', on 2/7/2017 the applicant was charged with driving under the influence, a 3rd degree felony. On 9/21/2018, the Commission entered an order reinstating the Applicant's license and placing it on probation due to the charge that was then pending from her 2/17/2017 DUI arrest. On 11/5/2018, the Applicant entered a plea of guilty and was sentenced to serve a suspended prison sentence and 62.5 days in jail and placed on probation by the court. On 3/31/2020, Applicant's real estate license expired. The Applicant successfully completed her three (3) year probation term in her 11/5/2018 DUI conviction and her conviction was reduced to a Class A misdemeanor on 3/16/2021.

NOTE: The applicant stated her UT Broker's license is no longer on probation. Her UT Real Estate Division licensure page indicates her license is good standing but has been inactive since 4/12/2023.

Substance Abuse Treatment / Status Summary
Applicant stated she participated in the following voluntary and court mandated substance abuse treatment programs / requirements;

Court Mandated;
December 2012 – July 2012: Weekly, group therapy with Valley Mental Health, random drug tests, NA meetings, 120 hours of community service at Soaring Wings Montessori School, monthly Court check-ins.
July 2014: 10 hour course of 'Fit for Life Recovery Services'
2015 – 2017: BAC Ignition Interlock Device requirement
November 2018 – March 2021: Utah State Probation that was transferred to NC

Voluntarily Taken:
September 2008: Self-checked into 'University Neuropsychiatric Institute' for depression
October 2011: Self-checked into 'Passages Rehab Center' for depression and substance abuse
November 2011: Started bi-weekly therapy sessions
June 2012: Self-checked into 'Passages Rehab Center' for depression and diet
July 2012 – January 2013: Upgraded herself to intensive outpatient therapy at 'Valley Mental Health' for 4 hour sessions, 5 days a week
March 2018: Continued with bi-monthly individually therapy.

Driver's License Status / North Carolina Driver's License status?
The applicant stated she currently has a Virginia Driver's License without restrictions. She stated she plans to get a NC Driver's License within the next few weeks and that after speaking with the NCDMV, they do not foresee that any driving restrictions will be required.

COMMENTS: *None*

RECOMMENDATION: ☐ **APPROVE** ☒ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-1047 **Age:** 61 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☒ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, NC (1/2001 – 6/2009)

Status upon Licensure: Provisional Broker

Employment: Yes, Hair Stylist **Since:** September 2022

CRIMINAL CONVICTIONS:

The applicant was requested to provide detailed explanations of her offenses / convictions and a summary of her substance abuse treatment programs in the past and current, if applicable. The following are her responses.

Felony Trafficking in Cocaine (FL) **Sentence:** $55.00, 7 Years' Probation, AA/NA Meetings Required

Date of Offense: 2/14/1994 **Date of Conviction:** 12/15/1994

The applicant was 31 y/o at the time of the offense.

NOTE: This conviction was previously vetted in her original broker application in 2001.

Open Container after Consuming Alcohol

Sentence: $140.00

Date of Offense: 5/15/2002 **Date of Conviction:** 7/9/2002

According to the applicant (40 y/o), she was driving the work truck to a mechanic's shop to get the brakes repaired and came to a police road block. She stated the officer looked in the back floor board and saw a crushed empty beer can with some other trash. She stated she was not drunk nor had she been drinking but the officer wrote her a ticket.

Solicitation to Possess Controlled Substance

Date of Offense: 5/25/2008

According to the applicant (46 y/o), she stated this was the same situation with the same police officers as with her 2/20/2008 offense (below). She stated in this incident, she lived in the neighborhood at the time and after she was stopped, they found a small marijuana joint in her ash tray, so the officer wrote her a ticket for a controlled substance.

Possess Drug Paraphernalia **Sentence**: (Consolidated); $621.00 + $300.00 Restitution (Paid), 45 Days, 1 Year Probation (S)

Date of Offense: 2/10/2008 **Date of Conviction:** 11/17/2008

According to the applicant (45 y/o), she was driving home through a neighborhood that was known by the police to be drug infested so she was pulled over by the police without cause. She stated the police found a pack of rolling papers and wrote her a ticket.

Possess Drug Paraphernalia **Sentence:** 28 Days Active
Date of Offense: 11/10/2009 **Date of Conviction:** 12/17/2009

According to the applicant (47 y/o), this was an incident where she drove a girlfriend's car home that night and was stopped by the police. She stated the police found a marijuana pipe in the glove box but it wasn't her pipe.

Shoplifting Concealment of Goods **Sentence**: $246.00, 17 Days (3 Days Credit/Time Served), 12 Months' Probation (S), Community Service
Date of Offense: 12/18/2010 **Date of Conviction:** 7/7/2010

According to the applicant (47 y/o), she was flat broke and sick as a dog with the flu so she stole some cough syrup because she did know any other way to get some. She stated it was stupid and that she is not a thief because they stopped her before she even got out the door. She stated she was so sick that the officer wrote her a ticket instead of arresting her.

Felony Trafficking, Opium or Heroin **Sentence:** $20.00, $100,000 NCDOC Fine, 90 – 117 Months Active, DART, Stay Employed
Date of Offense: 6/27/2009 **Date of Conviction:** 8/3/2011

Felony Possession of Cocaine
Date of Offense: 6/27/2009

Possess Marijuana up to ½ Oz.
Date of Offense: 6/27/2009

Possess Drug Paraphernalia
Date of Offense: 6/27/2009

Felony Trafficking, Opium or Heroin **Sentence:** (Consolidated & Run Current with Above 8/3/2011 Felony Conviction); 90 – 117 Months Active
Date of Offense: 6/27/2009 **Date of Conviction:** 8/3/2011

According to the applicant (47 y/o), she had a person in her vehicle that she was helping out and taking to go do some laundry. She stated they were stopped by the police and searched. She stated he had 14 Vicodin pills in a bottle with him and when they were stopped, he threw the bottle in the back of the car and told the police the bottle belonged to the applicant. The applicant stated she agreed but didn't know what she was getting into. She stated she found out later that he was known to the police but the police let him go and she was arrested. She stated she pled not guilty in court but was found guilty.

NOTE: Per the NC Department of Corrections database, she served active time 8/3/2011 – 12/14/2018 and then was on Supervised Release from 12/14/2018 – 9/10/2019.

NOTE: Applicant has the following driving related convictions otherwise: No Operator's License (2008), Driving While License Revoked (2008).

Substance Abuse Treatment Summary

According to the applicant, she previously did five (5) years of Alcoholic Anonymous (AA) and she was incarcerated. She stated she has not had one single issue or run-in with alcohol or drugs in 14 years. The applicant stated she paid her debt to society, does things differently now and is an active member in her church. She stated she is clean, straight and a hard worker and has many years of recovery.

The applicant stated since her convictions, she earned a Associates Degree in Cosmetology, has been employed since September 2022, owns her own home with two acres and is married to a wonderful husband.

COMMENTS: *The applicant provided two (2) character letters; one from her former Real Estate Firm Manager and one from another real estate firm / owner. She has no issues with her previous NCREC Licensure.*

RECOMMENDATION: ☐ **APPROVE** ☒ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-1063 **Age:** 27 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: No **Status upon Licensure**: Provisional Broker

Employment: Yes, USMC Sergeant **Since:** January 2016

CRIMINAL CONVICTIONS:

Pending – Driving Under the Influence (CA)
Pending – Driving with a BAC of .08% or More **Sentence:** TBD; Military Diversion Program
Date of Offense: 1/17/2023 **Date of Disposition:** TBD

According to the applicant (27 y/o), while in the US Marine Corps and stationed at Camp Pendleton, CA, he had to go to court for a charge of driving under the influence. He stated he pled not guilty and got accepted into a Military Diversion Program and therefore, he was technically never charged and will not be charges for anything. He stated on his CRC Report, it indicates special conditions of him being in the Military Diversion Program and once the program is completed, everything will be expunged.

The applicant was asked for additional information;
The applicant stated that the status of the "pending" charge is frozen until the completion of the Military Diversion Program and upon completion of it, his pending charge will be dismissed and expunged. He stated the Diversion Program allows him to enter a plea of not guilty and that it requires him to follow the medical appointments given by the Veterans Administration (VA) and to participate in a check-up once a month until he completes the program. The applicant stated the USMC will not take any disciplinary action against him. The applicant stated as of now, there is not a set graduation / completion date for his participation in the Diversion Program as that is up to the VA but he has received notice that it will likely be early to mid-2024. Once complete, his charge will be dismissed / expunged.

NOTE: Per NCREC Staff's research, the Military Diversion Program establishes a pretrial diversion program for currently and former members of the US Military charged with misdemeanor offenses. If the defendant successfully completes the Diversion Program, the arrest upon which the diversion was based shall be deemed never to have occurred.

COMMENTS: *Applicant has no other charges or convictions on his CRC Report.*

RECOMMENDATION: ☐ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☒ **APPROVE W/COND.** ☐ **DEFER**
Conditions: Grant license immediately on the condition that if the applicant is convicted of 'Driving Under the Influence of Alcohol' and/or 'Driving with a Blood Alcohol Content of .08% or More', or any lesser offense, he shall 1) report the conviction to the Commission, pursuant to Commission Rule A .0113 and 2) comply with any and all restrictions placed on his driving privilege.

Character Conferences
November 7, 2023

Panel: Mr. Aceto and Mr. Ramseur
(Ms. Dixon, Mr. Dowdy)

Page #	Case #	Recommendation
1.	A24-0832	
4.	A24-0631	
6.	A24-0685	

CHARACTER SUMMARY

Name: A24-0832 **Age:** 64 y/o

Applicant for: ☒ Broker (☐Exam/ ☒ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, SC (6/2019 – Current)

Status upon Licensure: Provisional Broker

Employment: Yes, Broker – Industrial and Residential Land Sales **Since:** June 2019

CRIMINAL CONVICTIONS:

Misbranding Drug While Held for Sale after Shipment in Interstate Commerce (US District Court)

Sentence: $25.00, 1 Year Probation (S) w/ Various Probation Requirements, 100 Hours Community Service

Date of Offense(s): Up until 5/15/2009
Date of Filing: 1/29/2014
Date of Indictment: 1/31/2014

Date of Conviction: 3/21/2014
Date of Sentencing: 6/23/2014
Probation Terminated: 2/5/2015

NOTE: The CRC Report lists the conviction as a Felony, however, the US District Court Judgment obtained from US District Court Records indicates his conviction is for a 'Class A' Misdemeanor.

General Allegations

According to the US District Court's 'Information Document and General Allegations', the defendant (applicant) and his Florida Corporation of which the defendant was the CEO, owner and operator, operated a website for a fraudulent pharmacy. Despite claiming to function as a pharmacy, the defendants possessed no pharmacy license or medical license of any kind, offered prescription drugs for sale to customers and provided and delivered prescription drugs to customers through their website, all without requiring a prescription from, or under the supervision of, a license practitioner. When customers used credit cards to purchase the pharmaceuticals on the website, the credit card statement reflected the fact that the seller was the Respondent's Florida Corporation and not a pharmacy.

Defendants offered for sale and distributed products in the PDE5 inhibitor class and represented that the prescription drugs available for sale were generic versions Viagra, Cialis, Levitra, Flomax, Propecia, Nexium, and Prevacid and were approved by the Federal Drug Administration (FDA), when in fact the prescription drug products distributed by the defendants were unapproved foreign versions not produced by the labeled manufacturer and not approved by the FDA for distribution in the United States. Defendants represented on their website that the prescription drugs were being dispensed by a licensed pharmacist working out of a licensed pharmacy in Canada when in fact, the drugs were shipped to customers directly from the defendant's private residence. Defendants represented on their website and on written materials accompanying their products, that the end-user patients were consulting with and ordering from a licensed physician when in fact, the licensed physician was a fictional doctor that did not exist.

The defendant used a generic photograph of a person in a lab coat selected from the internet and conveyed the impression that the person identified in the picture was the licensed physician.

Specific Conviction Information
The defendant pled guilty to Count 2 in the Information Document, in that on or about 5/15/2009, he caused a prescription drug Tamsulosin Hydrochloride (active ingredient in drugs used to treat an enlarged prostate and helps relieve symptoms in urination problems, etc. – Generic Flomax) while such drug was held for sale after shipment in interstate commerce, to be dispensed without the prescription of a practitioner licensed by law to administer it, contrary to the provision of the United States Code.

NOTE: The alleged generic drugs involved in these General Allegations included: Cialis, Viagra and Levitra for erectile dysfunction issues; Nexium and Prevacid for acid reflux related issues; Flomax for enlarged prostrate issues; and Propecia for male pattern baldness treatment.

According to the applicant (50 y/o at the time of the offenses), he operated an online pharmacy dedicated to providing affordable medications, primarily serving the elderly and those in need. He stated the incident in question relates to the shipment (20 capsules) of a medication called Tamsulosin (Flomax) outside of the state of Florida. He stated this medication was considered misbranded as it was a generic version (Tamsulosin) and not the original Flomax. The applicant stated Flomax is used to improve urine flow in men with benign prostatic hyperplasia (BPH), a non-cancerous prostate enlargement condition.

The applicant stated initially, he lacked awareness of the legal implications associated with this offense, however, upon notification by authorities, he promptly took corrective action, which included the voluntary closure of the pharmacy. He stated throughout the investigation and legal process, he cooperated fully, providing transparency and helping authorities understand that his actions, though well-intended, did not align with legal requirements. The applicant stated he now understands the importance of education and strict adherence to legal regulations.

South Carolina Real Estate Licensure

The applicant stated the SC Real Estate Commission was fully aware of his March 2014 conviction in federal court during his license application process in 2019 and that he appeared before their Board / Commission, providing a complete and candid account of the circumstances of his conviction, answered their questions opening and honestly, and expressed his sincere regrets for his actions. The applicant stated his SC Salesperson license was issued without any probationary terms, restrictions or conditions. The applicant stated he has renewed his SC Salesperson twice since his initial licensure and his license is good standing. The applicant provided a letter of reference from his current Firm's Chief Operating Officer.

Name: A24-0832

The applicant stated in summary, he has continued to pursue his chosen career in real estate development, however, he has come to appreciate that holding a real estate license is a significant advantage. He stated that holding a license enhances his understanding of real estate ethics, laws and the legal standards specific to the state. He stated he is committed to ethical and lawful conduct in the real estate profession.

COMMENTS: *The applicant has no other known charges or convictions and he has no issues with his South Carolina Real Estate Licensure.*

RECOMMENDATION: ☐ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-0631 **Age:** 40 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, OH (1/2015 – 3/2021)

Status upon Licensure: Provisional Broker

Employment: No, *(Stay at Home Mother)* **Since:** September 2020

LICENSE DISCIPLINARY ACTIONS:

Ohio Real Estate Commission
Action: License Suspended for failure to submit renewal requirements *per her Certificate of Licensure.*
Date: 3/25/2021

According to the applicant, her Ohio Salesperson license was previously suspended on 3/25/2021 for failing to submit renewal requirements because she had already moved to North Carolina in October 2020.

Ohio Real Estate Commission (2019-00)
Action: 5 - Day License Suspension effective 9/2/2021 and three (3) hours of Continuing Education in the area of *'Ethics'* and three (3) hours of Continuing Education in *'Core courses'* within 90 days.
Date: 8/11/2021

According to the Adjudication Order and Settlement Agreement, the Respondent, a licensed real estate salesperson, did the following from on or about 5/6/2018 through 5/12/2018, with respect to a subject property in Ohio;

1) *Failed to ensure that the earnest money was provided to the title company pursuant to the terms agreed upon in the purchase contract in violation of Ohio Revised Code, Section 4735.18(A)(6), misconduct.*

According to the applicant, two years after she represented a buyer with a 'For Sale By Owner' ("FSBO") condominium sale in May 2018, the FSBO owner texted her out of the blue and started harassing her and saying she was going to sue her, however, the applicant stated she had no idea why. The applicant stated she asked her former client to speak with her Broker as she was confused as the closing had gone very well. She stated the former client refused to speak to her Broker and filed a complaint with the Board. She stated after further investigation, she admitted she had forgotten to deposit the earnest money in the required time frame and later took the check to the title company at the closing. The applicant stated she had informed the Seller by text message as soon as she had realized that she had forgotten. She stated no other faults were found and after the Complainant kept postponing the hearing, to settle the matter with the Commission, the applicant agreed to the settlement of a '5 – Day' Suspension and additional Continuing Education hours.

Name: A24-0631

Ohio Real Estate Commission

Action: License Revoked for failure to reactivate her license within one-year of a suspension *per her Certificate of Licensure*.

Date: 3/25/2022.

According to the applicant, she did not complete the additional CE hours as she was not planning on renewing her OH license and therefore, her license was revoked on 3/25/2022 for failing to reactivate her license within one year of a suspension.

The applicant stated she spoke with the Ohio Real Estate Board about reinstatement before applying for a North Carolina License and since she would have to sit for the exam in Ohio, she decided to do the full national and state exam for a North Carolina license and not renew her Ohio license.

COMMENTS: *Applicant has no known criminal convictions.*

RECOMMENDATION: ☐ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

CHARACTER SUMMARY

Name: A24-0685 **Age:** 62 y/o

Applicant for: ☒ Broker (☐Exam/ ☒ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, FL (7/2009 – Current)

Status upon Licensure: Provisional Broker

Employment: Yes, Real Estate Sales Agent (FL) **Since:** August 2013

LICENSE DISCIPLINARY ACTIONS:

Florida Department of Business & Professional Regulation
Real Estate Appraisal Board

Action: Voluntary License Surrender / Permanent Revocation of his state certified residential real estate appraiser license
Date: 10/13/2010

According to the Final Order, the Respondent's disciplinary action resulted from the investigation for two complaints involving two subject properties in the same complex.

Case Number 1:
According to the Administrative Complaint, on or about 5/31/2008, Respondent developed and communicated an appraisal report for a Subject Property and estimated its value at $454.000. Respondent failed to exercise due diligence, committed misrepresentation or a breach of trust in any business transaction and failed to maintain records for at least five years for his appraisal services in developing his appraisal report of the Subject Property in one or more of the following ways;

1) *Failed to analyze such comparable sales as were available to indicate a value conclusion by failing to analyze or consider sales from complexes closer to the Subject Property, which were available and to consider resale properties from the Subject Property's complex, which were also available.*
2) *Failed to have adequate / sufficient data, information or documentation in his work file to show that he analyzed closed and comparable sales.*
3) *Misstated in his Report that there were a lack of sales of similar properties outside of the subject complex, when there were.*
4) *Failed to include a copy of the Purchase and Sales Contract in his work file.*
5) *Failed to have support for the gross living area adjustments he did for Comparable Sale #3 in his work file.*
6) *Used an incorrect abbreviation in the designation section of his report.*
7) *Failed to use downward adjustments for time of sales.*
8) *Failed to disclose a prior sale of the Subject Property.*

Name: A24-0685

Case Number 2:

According to the Administrative Complaint, on or about 5/13/2008, Respondent developed and communicated an appraisal report for a Subject Property and estimated its value at $450,000. Respondent failed to exercise due diligence, committed misrepresentation or a breach of trust in any business transaction and failed to maintain records for at least five years for his appraisal services in developing his appraisal report of the Subject Property in one or more of the following ways;

1) *Failed to analyze such comparable sales as were available to indicate a value conclusion.*
2) *Failed to have adequate / sufficient data, information or documentation in his work file to show that he analyzed comparable sales.*
3) *Misstated in his Report that there were a lack of sales of similar properties outside of the subject complex, when there were.*
4) *Failed to include a copy of the Purchase and Sales Contract in his work file.*
5) *Failed to include a correct copy of the Report in his work file.*
6) *Failed to have support for the gross living area adjustments he did for Comparable Sale #3 in his work file.*
7) *Misstated the owner of the Subject Property in his report.*
8) *Failed to use downward adjustments for time of sales.*
9) *Failed to disclose a prior sale of the Subject Property.*

According to the Applicant, his residential real estate appraiser license was revoked due to a complaint by Wells Fargo Bank. He stated he was a preferred Appraiser of the bank and did a lot of work for Wells Fargo and that Wells Fargo required all of his appraisals to be reviewed by a sister company prior to his appraisals being accepted by Wells Fargo. He stated part of his appraisal fees were paid to this sister company to perform those reviews. The applicant stated he attempted to follow the appraisal standards while doing work for them and any time the sister company requested clarifications, he would supply them. He stated it seemed to be a thorough process.

The applicant stated the properties involved in these complaints were part of a condominium conversion of several newer, high rise buildings. He stated he had previously completed appraisals in the same community and each went through the review process and were deemed acceptable. He stated during the real estate bust cycle in 2008, several borrowers had defaulted on Wells Fargo's loans so they sent in a complaint for one property and accused him of over valuing the property. The applicant stated while he was working with his attorney to defend against the first complaint, the Bank sent in a second complaint. He stated with the entire real estate industry collapsing during this time, he could not afford to continue paying additional attorney fees so when the FL Department of Business and Professional Regulations (DBPR) offered to drop the cases against him if he agreed to surrender his Real Estate Appraisal license, he agreed. The applicant added that this was a difficult time in his life as he lost the main means of supporting his family, his self-confidence was shaken and that ultimately led to the end of his marriage and filing for personal bankruptcy protection.

CHARACTER SUMMARY
(Page 3)

Name: A24-0685

Florida Real Estate Licensure

The applicant stated his received his Real Estate Sales Agent license in 2009 and it was on record when he surrendered his FL Appraisal license and it was not part of the agreement with the FL DBPR when his Appraisal license was surrendered. He stated his FL Sales Agent license was never impacted by the Surrender of his Appraisal license. The applicant stated he has worked in the real estate field since 2009 and there has never been any complaints against him and he has always strived to be a person of integrity.

COMMENTS: *Applicant has one old driving related conviction only. Applicant has no issues with Florida Real Estate Licensure.*

RECOMMENDATION: ☐ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

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Character Conferences
November 7, 2023

Panel: Mr. Aceto and Mr. Ramseur
(Ms. Dixon, Mr. Dowdy)

Page #	Case #	Recommendation
1.	A24-0832	Deferral
4.	A24-0631	Approve with Conditions
6.	A24-0685	Approve

CHARACTER SUMMARY

Name: A24-0832 **Age:** 64 y/o

Applicant for: ☒ Broker (☐Exam/ ☒ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, SC (6/2019 – Current)

Status upon Licensure: Provisional Broker

Employment: Yes, Broker – Industrial and Residential Land Sales **Since:** June 2019

CRIMINAL CONVICTIONS:

Misbranding Drug While Held for Sale after Shipment in Interstate Commerce (US District Court)

Sentence: $25.00, 1 Year Probation (S) w/ Various Probation Requirements, 100 Hours Community Service

Date of Offense(s): Up until 5/15/2009
Date of Filing: 1/29/2014
Date of Indictment: 1/31/2014

Date of Conviction: 3/21/2014
Date of Sentencing: 6/23/2014
Probation Terminated: 2/5/2015

NOTE: The CRC Report lists the conviction as a Felony, however, the US District Court Judgment obtained from US District Court Records indicates his conviction is for a 'Class A' Misdemeanor.

General Allegations

According to the US District Court's 'Information Document and General Allegations', the defendant (applicant) and his Florida Corporation of which the defendant was the CEO, owner and operator, operated a website for a fraudulent pharmacy. Despite claiming to function as a pharmacy, the defendants possessed no pharmacy license or medical license of any kind, offered prescription drugs for sale to customers and provided and delivered prescription drugs to customers through their website, all without requiring a prescription from, or under the supervision of, a license practitioner. When customers used credit cards to purchase the pharmaceuticals on the website, the credit card statement reflected the fact that the seller was the Respondent's Florida Corporation and not a pharmacy.

Defendants offered for sale and distributed products in the PDE5 inhibitor class and represented that the prescription drugs available for sale were generic versions Viagra, Cialis, Levitra, Flomax, Propecia, Nexium, and Prevacid and were approved by the Federal Drug Administration (FDA), when in fact the prescription drug products distributed by the defendants were unapproved foreign versions not produced by the labeled manufacturer and not approved by the FDA for distribution in the United States. Defendants represented on their website that the prescription drugs were being dispensed by a licensed pharmacist working out of a licensed pharmacy in Canada when in fact, the drugs were shipped to customers directly from the defendant's private residence. Defendants represented on their website and on written materials accompanying their products, that the end-user patients were consulting with and ordering from a licensed physician when in fact, the licensed physician was a fictional doctor that did not exist.

The defendant used a generic photograph of a person in a lab coat selected from the internet and conveyed the impression that the person identified in the picture was the licensed physician.

Specific Conviction Information
The defendant pled guilty to Count 2 in the Information Document, in that on or about 5/15/2009, he caused a prescription drug Tamsulosin Hydrochloride (active ingredient in drugs used to treat an enlarged prostate and helps relieve symptoms in urination problems, etc. – Generic Flomax) while such drug was held for sale after shipment in interstate commerce, to be dispensed without the prescription of a practitioner licensed by law to administer it, contrary to the provision of the United States Code.

NOTE: The alleged generic drugs involved in these General Allegations included: Cialis, Viagra and Levitra for erectile dysfunction issues; Nexium and Prevacid for acid reflux related issues; Flomax for enlarged prostrate issues; and Propecia for male pattern baldness treatment.

According to the applicant (50 y/o at the time of the offenses), he operated an online pharmacy dedicated to providing affordable medications, primarily serving the elderly and those in need. He stated the incident in question relates to the shipment (20 capsules) of a medication called Tamsulosin (Flomax) outside of the state of Florida. He stated this medication was considered misbranded as it was a generic version (Tamsulosin) and not the original Flomax. The applicant stated Flomax is used to improve urine flow in men with benign prostatic hyperplasia (BPH), a non-cancerous prostate enlargement condition.

The applicant stated initially, he lacked awareness of the legal implications associated with this offense, however, upon notification by authorities, he promptly took corrective action, which included the voluntary closure of the pharmacy. He stated throughout the investigation and legal process, he cooperated fully, providing transparency and helping authorities understand that his actions, though well-intended, did not align with legal requirements. The applicant stated he now understands the importance of education and strict adherence to legal regulations.

South Carolina Real Estate Licensure

The applicant stated the SC Real Estate Commission was fully aware of his March 2014 conviction in federal court during his license application process in 2019 and that he appeared before their Board / Commission, providing a complete and candid account of the circumstances of his conviction, answered their questions opening and honestly, and expressed his sincere regrets for his actions. The applicant stated his SC Salesperson license was issued without any probationary terms, restrictions or conditions. The applicant stated he has renewed his SC Salesperson twice since his initial licensure and his license is good standing. The applicant provided a letter of reference from his current Firm's Chief Operating Officer.

Name: A24-0832

The applicant stated in summary, he has continued to pursue his chosen career in real estate development, however, he has come to appreciate that holding a real estate license is a significant advantage. He stated that holding a license enhances his understanding of real estate ethics, laws and the legal standards specific to the state. He stated he is committed to ethical and lawful conduct in the real estate profession.

COMMENTS: *The applicant has no other known charges or convictions and he has no issues with his South Carolina Real Estate Licensure.*

RECOMMENDATION: ☐ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☒ **DEFER**

CHARACTER SUMMARY

Name: A24-0631 **Age:** 40 y/o

Applicant for: ☒ Broker (☒Exam/ ☐ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, OH (1/2015 – 3/2021)

Status upon Licensure: Provisional Broker

Employment: No, *(Stay at Home Mother)* **Since:** September 2020

LICENSE DISCIPLINARY ACTIONS:

Ohio Real Estate Commission
Action: License Suspended for failure to submit renewal requirements *per her Certificate of Licensure.*
Date: 3/25/2021

According to the applicant, her Ohio Salesperson license was previously suspended on 3/25/2021 for failing to submit renewal requirements because she had already moved to North Carolina in October 2020.

Ohio Real Estate Commission (2019-00)
Action: 5 - Day License Suspension effective 9/2/2021 and three (3) hours of Continuing Education in the area of *'Ethics'* and three (3) hours of Continuing Education in *'Core courses'* within 90 days.
Date: 8/11/2021

According to the Adjudication Order and Settlement Agreement, the Respondent, a licensed real estate salesperson, did the following from on or about 5/6/2018 through 5/12/2018, with respect to a subject property in Ohio;

1) *Failed to ensure that the earnest money was provided to the title company pursuant to the terms agreed upon in the purchase contract in violation of Ohio Revised Code, Section 4735.18(A)(6), misconduct.*

According to the applicant, two years after she represented a buyer with a 'For Sale By Owner' ("FSBO") condominium sale in May 2018, the FSBO owner texted her out of the blue and started harassing her and saying she was going to sue her, however, the applicant stated she had no idea why. The applicant stated she asked her former client to speak with her Broker as she was confused as the closing had gone very well. She stated the former client refused to speak to her Broker and filed a complaint with the Board. She stated after further investigation, she admitted she had forgotten to deposit the earnest money in the required time frame and later took the check to the title company at the closing. The applicant stated she had informed the Seller by text message as soon as she had realized that she had forgotten. She stated no other faults were found and after the Complainant kept postponing the hearing, to settle the matter with the Commission, the applicant agreed to the settlement of a '5 – Day' Suspension and additional Continuing Education hours.

Name: A24-0631

Ohio Real Estate Commission

Action: License Revoked for failure to reactivate her license within one-year of a suspension *per her Certificate of Licensure*.

Date: 3/25/2022.

According to the applicant, she did not complete the additional CE hours as she was not planning on renewing her OH license and therefore, her license was revoked on 3/25/2022 for failing to reactivate her license within one year of a suspension.

The applicant stated she spoke with the Ohio Real Estate Board about reinstatement before applying for a North Carolina License and since she would have to sit for the exam in Ohio, she decided to do the full national and state exam for a North Carolina license and not renew her Ohio license.

COMMENTS: *Applicant has no known criminal convictions.*

RECOMMENDATION: ☐ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☒ **APPROVE W/COND.** ☐ **DEFER**

GRANTED, ON CONDITION THAT Applicant first demonstrate to the Commission, that she has removed all references on social media to being a licensed real estate agent in Ohio or references that she is presently engaged in, or eligible to practice, real estate brokerage in Ohio. If Applicant does not make this demonstration by December 31, 2023, her application shall be deemed DENIED.

CHARACTER SUMMARY

Name: A24-0685 **Age:** 62 y/o

Applicant for: ☒ Broker (☐Exam/ ☒ No Exam) ☐ Firm ☐ Reinstatement ☐ LNCL

Previous/Current Licensure: Yes, FL (7/2009 – Current)

Status upon Licensure: Provisional Broker

Employment: Yes, Real Estate Sales Agent (FL) **Since:** August 2013

LICENSE DISCIPLINARY ACTIONS:

Florida Department of Business & Professional Regulation
Real Estate Appraisal Board

Action: Voluntary License Surrender / Permanent Revocation of his state certified residential real estate appraiser license
Date: 10/13/2010

According to the Final Order, the Respondent's disciplinary action resulted from the investigation for two complaints involving two subject properties in the same complex.

Case Number 1:
According to the Administrative Complaint, on or about 5/31/2008, Respondent developed and communicated an appraisal report for a Subject Property and estimated its value at $454.000. Respondent failed to exercise due diligence, committed misrepresentation or a breach of trust in any business transaction and failed to maintain records for at least five years for his appraisal services in developing his appraisal report of the Subject Property in one or more of the following ways;

1) *Failed to analyze such comparable sales as were available to indicate a value conclusion by failing to analyze or consider sales from complexes closer to the Subject Property, which were available and to consider resale properties from the Subject Property's complex, which were also available.*
2) *Failed to have adequate / sufficient data, information or documentation in his work file to show that he analyzed closed and comparable sales.*
3) *Misstated in his Report that there were a lack of sales of similar properties outside of the subject complex, when there were.*
4) *Failed to include a copy of the Purchase and Sales Contract in his work file.*
5) *Failed to have support for the gross living area adjustments he did for Comparable Sale #3 in his work file.*
6) *Used an incorrect abbreviation in the designation section of his report.*
7) *Failed to use downward adjustments for time of sales.*
8) *Failed to disclose a prior sale of the Subject Property.*

CHARACTER SUMMARY
(Page 2)

Name: A24-0685

Case Number 2:

According to the Administrative Complaint, on or about 5/13/2008, Respondent developed and communicated an appraisal report for a Subject Property and estimated its value at $450,000. Respondent failed to exercise due diligence, committed misrepresentation or a breach of trust in any business transaction and failed to maintain records for at least five years for his appraisal services in developing his appraisal report of the Subject Property in one or more of the following ways;

1) *Failed to analyze such comparable sales as were available to indicate a value conclusion.*
2) *Failed to have adequate / sufficient data, information or documentation in his work file to show that he analyzed comparable sales.*
3) *Misstated in his Report that there were a lack of sales of similar properties outside of the subject complex, when there were.*
4) *Failed to include a copy of the Purchase and Sales Contract in his work file.*
5) *Failed to include a correct copy of the Report in his work file.*
6) *Failed to have support for the gross living area adjustments he did for Comparable Sale #3 in his work file.*
7) *Misstated the owner of the Subject Property in his report.*
8) *Failed to use downward adjustments for time of sales.*
9) *Failed to disclose a prior sale of the Subject Property.*

According to the Applicant, his residential real estate appraiser license was revoked due to a complaint by Wells Fargo Bank. He stated he was a preferred Appraiser of the bank and did a lot of work for Wells Fargo and that Wells Fargo required all of his appraisals to be reviewed by a sister company prior to his appraisals being accepted by Wells Fargo. He stated part of his appraisal fees were paid to this sister company to perform those reviews. The applicant stated he attempted to follow the appraisal standards while doing work for them and any time the sister company requested clarifications, he would supply them. He stated it seemed to be a thorough process.

The applicant stated the properties involved in these complaints were part of a condominium conversion of several newer, high rise buildings. He stated he had previously completed appraisals in the same community and each went through the review process and were deemed acceptable. He stated during the real estate bust cycle in 2008, several borrowers had defaulted on Wells Fargo's loans so they sent in a complaint for one property and accused him of over valuing the property. The applicant stated while he was working with his attorney to defend against the first complaint, the Bank sent in a second complaint. He stated with the entire real estate industry collapsing during this time, he could not afford to continue paying additional attorney fees so when the FL Department of Business and Professional Regulations (DBPR) offered to drop the cases against him if he agreed to surrender his Real Estate Appraisal license, he agreed. The applicant added that this was a difficult time in his life as he lost the main means of supporting his family, his self-confidence was shaken and that ultimately led to the end of his marriage and filing for personal bankruptcy protection.

CHARACTER SUMMARY
(Page 3)

Name: A24-0685

Florida Real Estate Licensure

The applicant stated his received his Real Estate Sales Agent license in 2009 and it was on record when he surrendered his FL Appraisal license and it was not part of the agreement with the FL DBPR when his Appraisal license was surrendered. He stated his FL Sales Agent license was never impacted by the Surrender of his Appraisal license. The applicant stated he has worked in the real estate field since 2009 and there has never been any complaints against him and he has always strived to be a person of integrity.

COMMENTS: *Applicant has one old driving related conviction only. Applicant has no issues with Florida Real Estate Licensure.*

RECOMMENDATION: ☒ **APPROVE** ☐ **CONT.** ☐ **POSTPONE** ☐ **APPROVE W/COND.** ☐ **DEFER**

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North Carolina Real Estate Commission

FINANCIAL REPORT

- Balance Sheet and Report of Receipts and Disbursements

November 8, 2023

Paula L. Ricard, CPA
Chief Financial Officer

NORTH CAROLINA REAL ESTATE COMMISSION
BALANCE SHEET
AS OF 10/31/2023

ASSETS

		10/31/2023		10/31/2022		10/31/2021		10/31/2020
	CHECKING:							
1	CHECKING TRUIST	466,584.60		333,956.09		464,902.34		875,519.79
2	MONEY MARKET MECHANICS & FARMERS	95,599.67		90,503.19		140,071.42		-
3	MONEY MARKET PINNACLE	3,715,061.13		2,628,586.85		2,362,972.78		4,904,398.54
4	MONEY MARKET WELLS FARGO	537,539.04		679,471.07		612,881.93		1,141,616.83
5	**TOTAL CHECKING**	4,814,784.44		3,732,517.20		3,580,828.47		6,921,535.16
	SAVINGS:							
6	SAVINGS STATE EMPLOYEES CREDIT UNION	51,873.55		49,071.74		48,641.57		48,237.67
7	SAVINGS TRUIST	-		-		8,732.42		8,731.58
8	**TOTAL SAVINGS**	51,873.55		49,071.74		57,373.99		56,969.25
	CERTIFICATES OF DEPOSIT:							
9	CD STATE EMPLOYEES CREDIT UNION	100,000.00		100,000.00		100,000.00		100,000.00
10	CD KS BANK	1,508,316.47		1,505,188.43		1,500,803.40		247,450.27
11	CD FIRST NATIONAL BANK	-		-		102,123.52		102,123.52
12	CD TRUIST	-		245,000.00		251,062.85		251,062.85
13	CD FIRST NATIONAL BANK	209,252.06		208,973.35		123,665.55		106,431.65
14	CD FIRST BANK	245,611.07		245,000.00		245,000.00		254,013.52
15	CD 1ST CHOICE CREDIT UNION	241,271.88		240,000.00		-		-
16	CD MECHANICS & FARMERS	102,949.82		101,276.83		101,125.04		101,023.97
17	CD CRESCOM BANK	-		-		-		248,496.99
18	CDARS LUMBEE GUARANTY BANK	3,571,761.93		2,968,354.81		1,450,958.06		-
19	CD WELLS FARGO	4,560,000.00		5,380,000.00		7,884,409.88		5,243,732.67
20	CDARS MECHANICS & FARMERS	3,445,978.20		2,900,000.00		1,350,000.00		-
21	ACCRUED INTEREST RECEIVABLE	82,105.69		8,336.89		5,356.34		34,759.61
22	**TOTAL CD'S**	14,067,247.12		13,902,130.31		13,114,504.64		6,689,095.05
	CAPITAL ASSETS:							
23	FURNITURE & EQUIPMENT	2,651,985.03		3,035,096.29		2,790,603.15		2,596,903.18	
24	ACCD DEPR FURN & EQUIP	(1,816,701.72)	835,283.31	(1,835,001.03)	1,200,095.26	(1,536,842.71)	1,253,760.44	(1,265,149.41)	1,331,753.77
25	CAPITAL IMPROVEMENTS	1,365,303.51		1,115,224.51		1,043,224.51		797,541.41	
26	ACCD DEPR CAPITAL IMPR	(375,131.40)	990,172.11	(299,744.47)	815,480.04	(228,510.06)	814,714.45	(173,252.19)	624,289.22
27	REAL ESTATE	4,312,250.39		4,312,250.39		4,312,250.39		4,312,250.39	
28	ACCD DEPR BUILDING	(1,269,729.60)	3,042,520.79	(1,171,790.34)	3,140,460.05	(1,078,933.85)	3,233,316.54	(986,077.36)	3,326,173.03
29	**TOTAL CAPITAL ASSETS**		4,867,976.21		5,156,035.35		5,301,791.43		5,282,216.02
	OTHER ASSETS:							
30	PETTY CASH		-		-		50.54		50.54
31	ACCOUNTS RECEIVABLE		-		-		500.00		500.00
32	PREPAID EXPENSE		-		-		33,026.52		33,026.52
33	UNEMPLOYMENT TAX ADVANCE DEPOSIT		17,456.47		16,045.05		14,593.13		14,593.13
34	PUBLICATION INVENTORY		95,557.90		96,470.93		88,065.39		76,180.35
35	DEFERRED OUTFLOWS FOR OPEB		-		-		-		124.00
36	**TOTAL OTHER ASSETS**		113,014.37		112,515.98		136,235.58		124,474.54
37	**TOTAL ASSETS**		**23,914,895.69**		**22,952,270.58**		**22,190,734.11**		**19,074,290.02**

NORTH CAROLINA REAL ESTATE COMMISSION
BALANCE SHEET
AS OF 10/31/2023

LIABILITIES & FUND BALANCE

		10/31/2023	10/31/2022	10/31/2021	10/31/2020
	PREPAID RENEWALS:				
	TOTAL PREPAID RENEWAL FEES	-	-	-	-
	PREPAID APPLICATIONS:				
	TOTAL PREPAID APPLICATION FEES	-	-	-	-
	MISCELLANEOUS:				
	TOTAL PREPAID MISCELLANEOUS FEES	-	-	-	-
	PAYABLES:				
38	ACCOUNTS PAYABLE	865.89	1,156.57	949.68	31,727.40
39	ACCRUED GENERAL LEAVE PAYABLE	495,592.00	439,020.94	419,626.82	372,872.15
40	**TOTAL ACCOUNTS PAYABLE**	496,457.89	440,177.51	420,576.50	404,599.55
	LONG-TERM:				
41	DEFERRED INFLOWS OF RESOURCES TSERS PENSIONS	-	-	-	5,455.00
42	DEFERRED INFLOWS FOR OPEB	-	29,536.00	59,072.00	88,608.00
43	**TOTAL LONG-TERM PAYABLES**	-	29,536.00	59,072.00	94,063.00
	FUND BALANCE:				
44	INVESTMENT IN CAPITAL ASSETS	4,867,976.21	5,156,035.35	5,301,791.02	5,282,216.02
45	BEGINNING YEAR	14,560,025.69	13,221,349.40	11,863,207.52	8,036,015.87
46	DESIGNATED FOR FURN/EQUIP/TECH	250,000.00	250,000.00	250,000.00	250,000.00
47	DESIGNATED FOR CAPITAL EXPENSES	250,000.00	250,000.00	250,000.00	250,000.00
48	CURRENT YEAR	3,490,435.90	3,605,172.32	4,046,087.07	4,757,395.58
49	**TOTAL LIABILITIES & FUND BALANCE**	**23,914,895.69**	**22,952,270.58**	**22,190,734.11**	**19,074,290.02**

NORTH CAROLINA REAL ESTATE COMMISSION

REPORT OF RECEIPTS AND DISBURSEMENTS
FOR THE MONTH ENDING 10/31/2023

		CURRENT MONTH	BUDGET MONTH	SAME MONTH FY 2023	YEAR TO DATE	BUDGET YTD	BUDGET FOR YEAR	PRIOR YEAR TOTAL
	RECEIPTS							
	RENEWAL FEES - CURRENT YEAR							
1	REN FEES/CURR YR BROKER	-	376,736.25	-	4,519,800.00	1,506,945.00	4,520,835.00	4,576,770.00
2	REN FEES/CURR YR FIRM	-	57,375.00	-	688,320.00	229,500.00	688,500.00	663,705.00
3	REN FEES/CURR YR LIMITED N/R COMM LICENSE	-	727.50	-	8,730.00	2,910.00	8,730.00	9,810.00
4	REN FEES/CURR YR TIMESHARE	-	712.50	-	8,550.00	2,850.00	8,550.00	16,000.00
5	REN FEES/CURR YR EDUCATION PROVIDER	-	6,704.17	-	80,500.00	26,816.68	80,450.00	74,575.00
6	REN FEES/REINST BROKER	14,040.00	23,730.00	9,180.00	348,660.00	94,920.00	284,760.00	281,970.00
7	REN FEES/REINST FIRM	1,260.00	6,037.50	1,170.00	90,585.00	24,150.00	72,450.00	69,390.00
8	REN FEES/REINST SUSPENDED LICENSE	-	22.50	-	180.00	90.00	270.00	270.00
9	REN FEES/REINST LIMITED N/R COMM LIC	180.00	225.00	-	2,160.00	900.00	2,700.00	3,600.00
10	REN FEES/REINST TIMESHARE	500.00	212.50	-	5,600.00	850.00	2,550.00	3,400.00
11	**TOTAL RENEWAL FEES**	**15,980.00**	**472,482.92**	**10,350.00**	**5,753,085.00**	**1,889,931.68**	**5,669,795.00**	**5,699,490.00**
	APPLICATION FEES - CURRENT YEAR							
12	CURR YR BROKER EXAM APPL	117,700.00	108,375.00	125,300.00	551,500.00	433,500.00	1,300,500.00	1,554,400.00
13	CURR YR LICENSE REINST APPL	2,010.00	2,825.00	1,840.00	14,480.00	11,300.00	33,900.00	37,730.00
14	LIMITED N/R COMM LICENSE APPL	100.00	416.67	200.00	1,900.00	1,666.68	5,000.00	3,900.00
15	CURR YR FIRM LICENSE APPL	14,000.00	15,666.67	13,900.00	70,900.00	62,666.68	188,000.00	177,200.00
16	CURR YR TIMESHARE APPL	-	166.67	-	-	666.68	2,000.00	-
17	CURR YR EDUCATION PROVIDER APPL	3,300.00	3,328.33	3,300.00	21,720.00	13,313.32	39,940.00	45,520.00
18	CE COURSE EQUIVALENT CREDIT	(50.00)	1,520.83	450.00	150.00	6,083.32	18,250.00	23,850.00
19	**TOTAL APPLICATION FEES**	**137,060.00**	**132,299.17**	**144,990.00**	**660,650.00**	**529,196.68**	**1,587,590.00**	**1,842,600.00**
	INTEREST							
20	INTEREST EARNED CHECKING	15,371.12	5,833.33	3,750.72	61,724.48	23,333.32	70,000.00	64,676.90
21	INTEREST EARNED SAVINGS	7.83	6.25	3.76	21.19	25.00	75.00	49.40
22	INTEREST EARNED CD	32,394.17	11,666.67	8,616.39	114,084.76	46,666.68	140,000.00	256,079.59
23	**TOTAL INTEREST**	**47,773.12**	**17,506.25**	**12,370.87**	**175,830.43**	**70,025.00**	**210,075.00**	**320,805.89**
	PUBLICATIONS							
24	RE MANUAL HARDCOPY RECEIPTS	19,240.00	6,250.00	8,374.00	26,440.00	25,000.00	75,000.00	89,964.50
25	RE MANUAL DIGITAL SUB RECEIPTS	5,400.00	6,250.00	5,950.00	22,600.00	25,000.00	75,000.00	74,875.00
26	ROSTER RECEIPTS LICENSEE	2,640.00	2,343.75	3,150.00	10,935.00	9,375.00	28,125.00	34,485.00
27	ROSTER RECEIPTS SUBSCRIPTION	-	416.67	-	881.15	1,666.68	5,000.00	-
28	PUBLICATIONS RECEIPTS	5,693.10	3,202.92	4,218.00	7,106.70	12,811.68	38,435.00	36,728.03
29	**TOTAL PUBLICATIONS**	**32,973.10**	**18,463.34**	**21,692.00**	**67,962.85**	**73,853.36**	**221,560.00**	**236,052.53**
	MISCELLANEOUS							
30	STUDENT FEES CE COURSES	58,320.00	125,273.33	49,420.00	154,790.00	501,093.32	1,503,280.00	1,563,320.00
31	BROKER IN CHARGE COURSE REG	15,620.00	20,833.33	16,170.00	85,580.00	83,333.32	250,000.00	238,150.00
32	STUDENT FEES POSTLICENSING COURSES	14,680.00	13,000.83	13,460.00	53,430.00	52,003.32	156,010.00	178,840.00
33	TRUST ACCOUNT COURSE REG	1,980.00	2,583.33	1,890.00	8,550.00	10,333.32	31,000.00	29,475.00
34	TRUST ACCOUNT RESORT PROP MGMT	-	37.50	-	-	150.00	450.00	-
35	DISCIPLINARY COURSE REGISTRATION	935.00	850.00	425.00	3,655.00	3,400.00	10,200.00	6,205.00
36	DUPLICATE CERTIFICATES	540.00	508.33	585.00	2,205.00	2,033.32	6,100.00	7,685.00
37	CERTIFICATION FEES	2,150.00	2,125.00	2,270.00	8,630.00	8,500.00	25,500.00	26,300.00
38	EDUCATORS CONFERENCE REG	-	1,458.33	-	-	5,833.32	17,500.00	14,798.00
39	NEW INSTRUCTOR SEMINAR	935.00	1,204.17	425.00	13,515.00	4,816.68	14,450.00	4,590.00
40	CHARACTER PETITIONS	360.00	354.17	270.00	1,800.00	1,416.68	4,250.00	4,725.00
41	WIRE FRAUD CONFERENCE REGISTRATIONS	-	433.33	-	7,795.00	1,733.32	5,200.00	39,885.00
42	WIRE FRAUD CONFERENCE SPONSORSHIPS	-	-	-	-	-	-	6,000.00
43	INSTRUCTOR DEVELOPMENT WORKSHOP	2,125.00	625.00	250.00	2,300.00	2,500.00	7,500.00	6,250.00
44	RETURNED CHECKS COLLECTED	-	16.67	-	-	66.68	200.00	-
45	**TOTAL MISCELLANEOUS**	**97,645.00**	**169,303.32**	**85,165.00**	**342,250.00**	**677,213.28**	**2,031,640.00**	**2,126,223.00**
46	**TOTAL RECEIPTS**	**331,431.22**	**810,055.00**	**274,567.87**	**6,999,778.28**	**3,240,220.00**	**9,720,660.00**	**10,225,171.42**

		CURRENT MONTH	BUDGET MONTH	SAME MONTH FY 2023	YEAR TO DATE	BUDGET YTD	BUDGET FOR YEAR	PRIOR YEAR TOTAL
	DISBURSEMENTS							
	PERSONNEL							
47	PAYROLL	439,626.69	466,213.67	405,258.86	1,760,065.82	1,864,854.68	5,594,564.00	4,287,403.11
48	SOCIAL SECURITY CONTRIBUTION	23,420.54	28,905.26	21,790.00	101,202.06	115,621.04	346,863.09	283,100.63
49	MEDICARE CONTRIBUTION	6,253.67	6,760.10	5,817.63	25,070.74	27,040.40	81,121.21	68,613.82
50	RETIREMENT - EMPLOYER (ST&E)	-	-	-	-	-	-	(29,536.00)
51	NCLB RETIREMENT - EMPLOYER	26,377.59	27,585.58	24,275.62	105,501.59	110,342.32	331,026.96	286,053.21
52	HOSPITALIZATION	86,643.24	65,084.16	83,399.39	276,302.02	260,336.64	781,009.92	757,717.92
53	LIFE/DISABILITY INSURANCE	2,356.89	2,333.33	2,078.62	10,024.69	9,333.32	28,000.00	29,750.26
54	LONG TERM CARE INSURANCE	480.87	1,083.33	509.45	2,972.39	4,333.32	13,000.00	10,004.88
55	GENERAL LEAVE EXPENSE	-	-	-	-	-	-	545,731.06
56	EXECUTIVE DIRECTOR EXPENSES	5,067.45	916.67	-	5,499.45	3,666.68	11,000.00	7,611.44
57	STAFF EXPENSES	27,179.56	10,416.67	3,944.51	42,188.71	41,666.68	125,000.00	125,639.77
58	FIELD PERSONNEL EXPENSES	6,552.98	3,333.33	2,314.01	13,588.87	13,333.32	40,000.00	32,280.72
59	RECRUITING	30,192.65	6,250.00	1,458.53	60,787.85	25,000.00	75,000.00	42,618.93
60	ATTORNEY GENERAL/LEGAL EXPENSE	1,710.00	2,083.33	1,409.00	2,565.00	8,333.32	25,000.00	22,372.60
61	TEMP TO PERM PAY	-	6,250.00	4,903.31	19,877.96	25,000.00	75,000.00	139,075.77
62	**TOTAL PERSONNEL**	**655,862.13**	**627,215.43**	**557,158.93**	**2,425,647.15**	**2,508,861.72**	**7,526,585.18**	**6,608,438.12**
	COMMISSION							
63	COMMISSION MEMBER - PER DIEM	15,600.00	5,833.33	10,800.00	29,200.00	23,333.32	70,000.00	68,200.00
64	COMMISSION MEMBER - HOTEL/MEALS	17,330.61	4,583.33	4,189.54	22,622.33	18,333.32	55,000.00	31,628.42
65	COMMISSION MEMBER - TRAVEL	8,256.81	2,083.33	2,225.37	10,982.95	8,333.32	25,000.00	17,276.59
66	COMMISSION EXPENSES - OTHER	4,053.75	4,583.33	11,926.82	13,830.65	18,333.32	55,000.00	49,688.80
67	**TOTAL COMMISSION**	**45,241.17**	**17,083.32**	**29,141.73**	**76,635.93**	**68,333.28**	**205,000.00**	**166,793.81**
	BUILDING							
68	CAPITAL IMPROVEMENTS	-	16,666.67	-	-	66,666.68	200,000.00	-
69	BUILDING MANAGEMENT EXPENSE	700.00	1,375.00	1,375.00	2,800.00	5,500.00	16,500.00	8,325.00
70	JANITORIAL SERVICE	1,793.02	2,500.00	3,465.48	5,379.06	10,000.00	30,000.00	31,274.88
71	LANDSCAPING	1,332.00	3,333.33	1,058.33	6,660.00	13,333.32	40,000.00	18,745.11
72	UTILITIES	4,373.79	3,904.17	2,916.61	10,408.42	15,616.68	46,850.00	42,659.95
73	OTHER BUILDING EXPENSES	22,692.34	5,600.00	6,736.95	41,130.49	22,400.00	67,200.00	68,476.33
74	TELEPHONE EXPENSE	7,311.26	7,205.00	8,221.02	26,860.49	28,820.00	86,460.00	90,494.08
75	INSURANCE AND BONDING	-	4,625.00	(104.00)	54,885.87	18,500.00	55,500.00	53,188.00
76	DEPR EXP - BUILDING	-	-	-	-	-	-	97,939.26
77	DEPR EXP - CAPITAL IMPROVEMENTS	-	-	-	-	-	-	75,386.93
78	**TOTAL BUILDING**	**38,202.41**	**45,209.17**	**23,669.39**	**148,124.33**	**180,836.68**	**542,510.00**	**486,489.54**
	SUPPLIES & EQUIPMENT							
79	OFFICE SUPPLIES	5,181.78	2,916.67	1,775.27	9,267.28	11,666.68	35,000.00	25,791.41
80	OFFICE EQUIPMENT & FURNITURE	1,388.89	8,333.33	1,000.00	1,388.89	33,333.32	100,000.00	-
81	DEPR EXP - FURN & EQUIP	-	-	-	-	-	-	379,589.35
82	MACHINE RENTAL & MAINTENANCE	2,857.17	1,875.00	2,342.63	10,289.23	7,500.00	22,500.00	20,381.69
83	STORAGE EXPENSE	1,805.82	1,833.33	1,404.42	6,977.46	7,333.32	22,000.00	18,612.25
84	POSTAGE	-	9,583.33	-	75,919.97	38,333.32	115,000.00	119,288.90
85	SHIPPING AND DELIVERY	-	83.33	9.64	53.36	333.32	1,000.00	396.78
86	PRINTING	-	8,333.33	616.69	11,874.96	33,333.32	100,000.00	136,391.07
87	SOFTWARE LIC/SUB/SUPPORT/RENEWALS	26,902.42	44,166.67	101,650.61	387,056.66	176,666.68	530,000.00	310,112.78
88	IT VENDOR SERVICES	41,843.74	20,833.33	31,099.55	106,280.65	83,333.32	250,000.00	270,914.12
89	IT CAPITALIZABLE	-	69,166.67	-	118,385.36	276,666.68	830,000.00	-
90	IT NONCAPITALIZABLE	2,002.23	4,166.67	214.53	2,233.53	16,666.68	50,000.00	54,929.25
91	**TOTAL SUPPLIES & EQUIPMENT**	**81,982.05**	**171,291.66**	**140,113.34**	**729,727.35**	**685,166.64**	**2,055,500.00**	**1,336,407.60**
	EDUCATION/EXAMINATION							
92	CES RE MANUAL DISTRIBUTION EXP	4,185.28	1,700.00	5,758.44	5,877.03	6,800.00	20,400.00	22,437.71
93	CES PUBLICATIONS DISTRIBUTION EXP	1,969.00	833.33	1,120.44	2,698.25	3,333.32	10,000.00	9,333.40
94	RE MANUAL/PUBS SHIPPING/SALES TAX EXP	(2,489.06)	83.33	-	1,907.68	333.32	1,000.00	21,534.80
95	DEI PROGRAMS	4,480.87	2,916.67	-	5,373.57	11,666.68	35,000.00	-
96	WIRE FRAUD CONFERENCE	-	541.67	165.00	4,383.08	2,166.68	6,500.00	37,046.36
97	EDUCATIONAL PROGRAMS	-	833.33	-	1,480.00	3,333.32	10,000.00	5,158.80
98	EDUCATORS CONFERENCE	-	2,083.33	-	-	8,333.32	25,000.00	20,870.74
99	UPDATE INSTRUCTOR SEMINAR	3,670.00	666.67	-	10,087.57	2,666.68	8,000.00	10,242.67
100	BROKER IN CHARGE COURSE	-	83.33	-	-	333.32	1,000.00	-
101	TRUST ACCOUNT COURSE	-	41.67	-	-	166.68	500.00	-
102	NEW INSTRUCTOR SEMINAR	-	83.33	-	-	333.32	1,000.00	79.55
103	**TOTAL EDUCATION/EXAMINATION**	**11,816.09**	**9,866.66**	**7,043.88**	**31,807.18**	**39,466.64**	**118,400.00**	**126,704.03**
	MISCELLANEOUS							
104	HEARING EXPENSES	2,252.39	2,166.67	6.00	5,367.38	8,666.68	26,000.00	17,920.71
105	RECORDS	55.40	100.00	302.90	127.40	400.00	1,200.00	1,045.90
106	APPL DISCIPLINARY VERIFICATION	-	1,356.25	-	16,275.00	5,425.00	16,275.00	16,275.00
107	PROFESSIONAL FEES	1,960.31	1,666.67	990.00	3,329.68	6,666.68	20,000.00	5,495.29
108	DUES AND SUBSCRIPTIONS	59.29	3,166.67	353.39	21,020.03	12,666.68	38,000.00	21,284.71
109	MAIL SERVICE	935.25	1,083.33	935.25	3,924.03	4,333.32	13,000.00	11,643.88
110	AUDIT EXPENSE	20,800.00	1,733.33	20,000.00	20,800.00	6,933.32	20,800.00	20,000.00
111	BANK SERVICE CHARGES	-	166.67	-	1,348.49	666.68	2,000.00	1,453.28
112	CREDIT CARD MERCHANT CHARGES	4,504.23	19,166.67	4,612.13	25,021.29	76,666.68	230,000.00	225,899.75
113	OTHER - MISCELLANEOUS EXPENSE	187.14	416.67	-	187.14	1,666.68	5,000.00	(145.00)
114	GAIN (LOSS) ON ASSETS	-	-	-	-	-	-	128,847.65
115	**TOTAL MISCELLANEOUS**	**30,754.01**	**31,022.93**	**27,199.67**	**97,400.44**	**124,091.72**	**372,275.00**	**449,721.17**
116	**TOTAL DISBURSEMENTS**	**863,857.86**	**901,689.17**	**784,326.94**	**3,509,342.38**	**3,606,756.68**	**10,820,270.18**	**9,174,554.27**
117	**TOTAL RECEIPTS OVER (UNDER) DISBURSEMENTS**	**(532,426.64)**	**(91,634.17)**	**(509,759.07)**	**3,490,435.90**	**(366,536.68)**	**(1,099,610.18)**	**1,050**

FINANCIAL TRANSACTIONS

1. $480,000.00 of the Commission's Certificates of Deposit with Wells Fargo Advisors matured in October, 2023 and were deposited to the Commission's Money Market account with Wells Fargo Advisors. The $18,309.69 Certificate of Deposit interest earned was deposited to the Commission's Money Market account with Wells Fargo Advisors. $480,000.00 of funds from the Money Market account were invested in Certificates of Deposit for 12-months at 5.45%.

2. The Commission's $240,938.00 12-Month Certificate of Deposit # X1455 with 1st Choice Credit Union at 0.55% interest matured on October 14, 2023. The principal and $333.88 interest was reinvested in a 12-Month Certificate of Deposit # X1455 with 1st Choice Credit Union at 3.00% interest to mature on October 14, 2024.

North Carolina Real Estate Commission

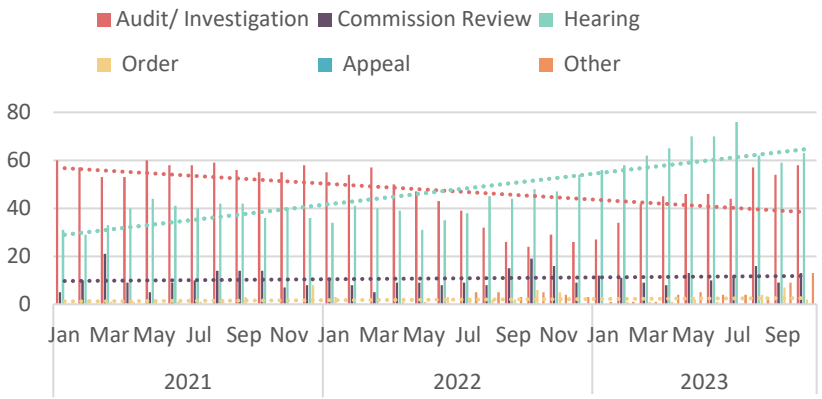
REGULATORY REPORT

- Case Status Charts
- Probable Cause Recommendations

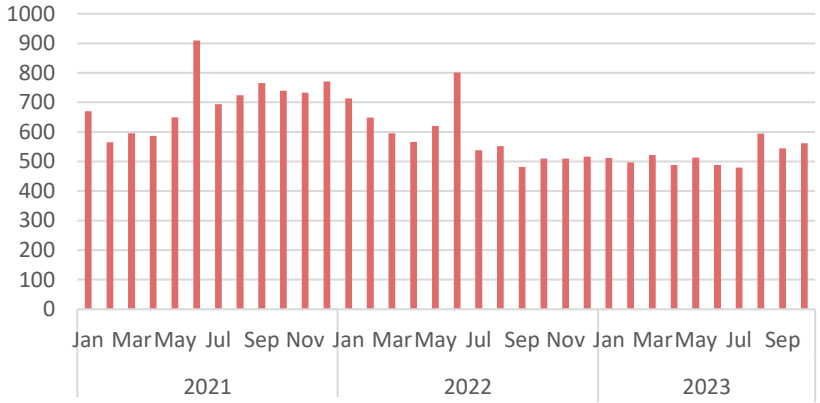
November 8, 2023

Regulatory Report Dashboard
October 2023

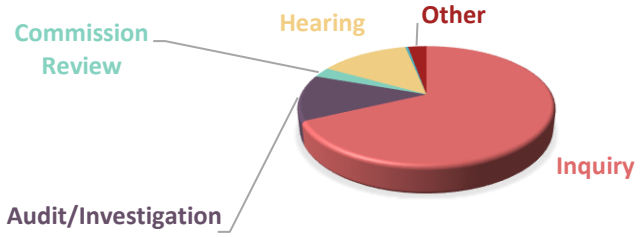
Report Summary



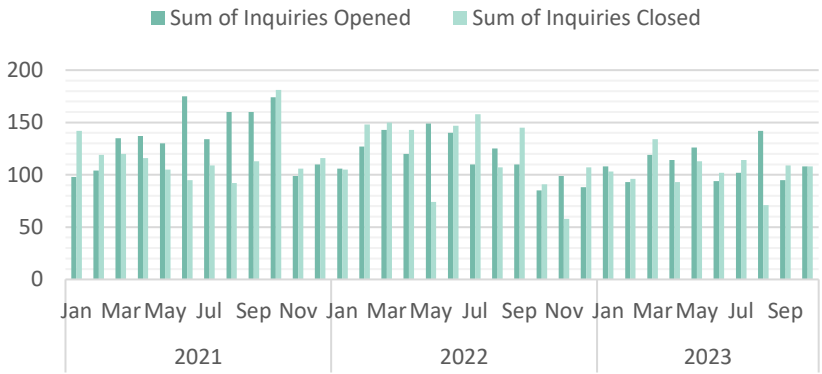
Pending Cases



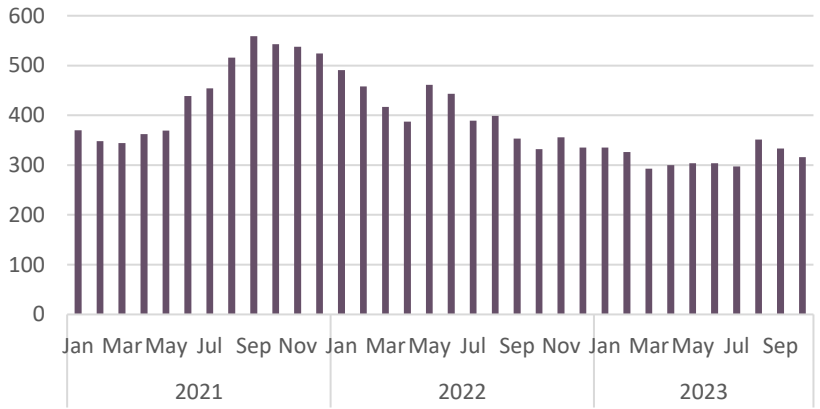
CASE STATUS SUMMARY



Open & Closed Inquiries



Pending Inquiry Cases



PROBABLE CAUSE

The legal staff has reviewed the following cases with the Executive Director and concurs with her in the recommendations for case disposition.

PC Blurb Abbreviations

BA	Buyer Agent	EMD	Earnest Money Deposit	MOG	Mineral Oil & Gas Disclosure Statement	QB	Qualifying Broker
BIC	Broker-in-charge	FSBO	For Sale by Owner	OTP	Offer to Purchase & Contract	R	Respondent
CW	Complaining Witness	HOA	Home Owners' Association	PM	Property Manager	RPOADS	Residential Property & Owners' Assoc
DDF	Due Diligence Fee	LA	Listing Agent	PMA	Property Management Agreement	TSD	Tenant Security Deposit
DDRA	Due Diligence Request & Agreement	MLS	Multiple Listing Service	POA	Power of Attorney	WWREA	Working with Real Estate Agents Disclosure
NL	Non-licensed						

Case No.	Allegation	Recommendation
1 D23-2256	CWs are three relatives of signers of homeowner benefit agreements (HBAs) and one homeowner who signed a HBA. Respondents are a licensed firm, the firm's BIC, a NL member-manager of the firm, and an NL company. **RFirm and its agents solicit and enter 40-year exclusive agreements with homeowners throughout NC to act as their listing agent at a future date in exchange for a small cash payment. The agreement binds to heirs, runs with the land, and includes termination fees of 3% of the property's estimated value at the time of termination. RFirm records a memorandum of the agreement effectively creating a lien on the property. RFirm does not disclose a $500 administrative fee payable at closing. RFirm and RBIC do not require brokers to provide and review the WWREA at first substantial contact when discussing the 40-year agreement, only when and if a homeowner elects to sell their property. In one transaction, for six months, RFirm and RBIC failed to respond to a CW and her attorney who provided information that the signer of the HBA did not have an ownership interest in the property, until the CW filed a complaint. R NL Company is named on 48 HBAs beginning in 2021, although it has never been licensed by the Commission. RBIC's residence address is listed as the registered physical address for R NL Company.** There is no evidence of violation of license law by the individual NL member-manager.	Hearing as to RBIC and RFirm; Injunction if necessary as to R NL Co.; Close as to NC member-manager

2 D23-2559	CW is a seller. R was the LA. F**ollowing the expiration of the original listing agreement, and prior to execution of a new listing agreement, RLA continued to represent the CW. RLA failed to provide fully executed documents to either the CW or the BA. RLA failed to provide a certificate of occupancy. RLA attempted to obtain payment for a commission outside of closing. RLA provided the Commission a listing agreement, WWREA and MOG, all of which were dated weeks following offer and acceptance.**	Hearing
3 D23-2884	RLA is the QB and BIC of a firm that provides limited services. CW is a buyer agent. RLA entered into a limited services listing agreement with a seller for a for-sale-by-owner transaction. During due diligence, a home inspection found active termites and structural issues and the contract was terminated. **RLA relisted the property without disclosing the active termites or structural issues.** RLA denied knowing but the written evidence – an email to RLA - indicates the CW told RLA. RLA did not respond to the email and claims he never saw it or he would have made the disclosures.	Close, Warn as to QB/BIC/LA and Firm
4 D23-3163	CW is a buyer. **Respondents are a LA, RLA's BIC and the listing Firm, who entered into an exclusive right to sell listing agreement with a person who claimed to have ownership of a property but did not.** Respondents brokered a sale where the CW paid a $5K DDF to someone who did not own the property. The transaction did not close and the CW lost his $5K.	Hearing
5 D23-3246	The CW is a buyer and Respondents are the BA, BIC and Firm**. RBA scheduled appointments and then gave the lockbox codes and showing instructions to unlicensed family members to show properties to the CW. RBA failed to enter into a Buyer Agency Agreement or present the WWREA and submitted an offer on behalf of the CW. After a review of the RBA'S last six transactions, RBA failed to enter into a Buyer Agency Agreement or present the WWREA in all transactions. RBIC and RFIRM had discovered the pattern, issued compliance violation notices to RBA and withheld commission sales checks. RBA then backdated the documents in two subsequent transactions in order to make the documents appear to be in compliance as to receipt of the commission checks following the sales.**	Hearing as to RBA; Close, Warn as to RBIC and RFirm

6 D24-0077	There is no CW. Respondents are the QB/BIC/LA and Firm. **The RQB/BIC/LA and RFIRM failed to measure and verify the square footage of a property and relied on tax records for the information. RLA/QB/BIC and RFIRM have been warned for the same violation in two previous and recently closed cases. RBA, RBIC and RFIRM failed to enter into a buyer agency agreement and present the WWREA in the subject transaction and previous transactions investigated in D23-2599.**	Hearing as to RQB/BIC/LA, RFirm, RBA, RBIC and RFirm.
7 D24-0275	CW is anonymous. Respondents are a QB/BIC who is also an instructor, his Firm and a BA/Provisional Broker**.** RBA failed to timely complete post-licensing and went on inactive status. **RBA continued to perform brokerage activities in a transaction, including scheduling appointments, attending inspections, communicating about closing information, scheduling the final walk-through, and attending closing. RBIC failed to prohibit RBA from continuing brokerage activities, failed to reassign the transaction to an affiliate broker, and failed to supervise RBA while RBIC was out of the country for a month.**	Hearing

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LEGISLATIVE REPORT

Rev. 10/31/2023

HOUSE BILLS

Bill No: *new bills			Status:
H29 Sponsors: Hastings; Bradford; Saine; Paré	(JT)	**Support Private Property Rights.** An act to clarify that the inclusion of real property on a comprehensive transportation plan is not a required disclosure or a material factor for the purposes of disclosure for real estate transactions. Prohibits any party or their agent to the conveyance, lease, exchange, or transaction from knowingly making a false statement regarding the property's inclusion on any transportation plan.	Passed House; Senate Rules
H63 Sponsors: Cleveland; Moss; Wheatley; Sossamon	(KF)	**Verification of Immigration Status - SAVE**. An Act to require that all state agencies, state agency licensing boards, and occupational licensing boards verify the immigration status of applicants for public benefits and use the Systematic Alien Verification for Entitlements (SAVE) program to obtain that verification. Includes whereas clauses. Enacts new GS Chapter 64A (Verification of Eligibility for Receipt of Public Benefits). Adopts definitions of alien and public benefit from federal law. Beginning January 1, 2024, prohibits state agencies, occupational licensing boards, and state agency licensing boards from providing a public benefit to any applicant prior to verifying that person's immigration status, or to persons not meeting certain criteria once their status has been verified. Requires the agencies and boards to enter into a memorandum of agreement or computer matching agreement with the Department of Homeland Security to use the Systematic Alien Verification for Entitlements (SAVE) Program to verify applicants' immigration status. Mandates annual reporting, starting December 1, 2023, by each agency and board to the specified NCGA committee regarding the implementation of these requirements. Creates a right of private enforcement by any resident of North Carolina who has reason to believe a state agency, occupational licensing board or state licensing board is not in compliance with this Chapter. Provides that private enforcement is to be filed as an action for declaratory and injunctive relief in the superior court. Authorizes a court to award the prevailing party reasonable attorneys' fees and costs, and to impose a civil penalty against any agency or board not in compliance with any order issued as a result of a private enforcement action up to $10,000. Requires the clear proceeds of any such civil penalty to be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. ***At the March 15, 2023, meeting, the Commission directed staff to analyze bill H63 and provide input to the sponsors of the bill regarding Commission concerns.***	Commerce, if favorable, Judiciary 1, if favorable, Rules

H103 Sponsor: Davis	(SD)	**GSC Technical Corrections 2023**. Amends GS 93B-8.1, which addresses the use of criminal history records by occupational licensing boards and State agency licensing boards. Expands the definition of applicant specific to the statute to include individuals who make an application for licensure from a board, which is defined to include both occupational licensing boards and State agency licensing boards, rather than occupational licensing boards only. Replaces the term person with individual throughout. Makes further technical and clarifying changes.	Ch. SL 2023-46 on 6/16/2023
H114 Sponsors: Alexander	(AG)	**Home Ownership Market Manipulation.** Makes it illegal for any person (as defined), including affiliates of the person, to purchase a single-family home in a qualifying county for a purpose other than for use by the person as a residence if the person, including affiliates of the person, owns 100 or more single-family homes in qualifying counties that are used primarily for rental purposes. Defines a qualifying county as a county with a population greater than 150,000 as of the most recent decennial census. Defines a single family home as a residential structure that is either a fully detached or semi-detached building or that is a row or town home that (1) is separated from the adjacent unit by a ground-to-roof wall, (2) does not share heating or air- conditioning systems or utilities, and (3) does not have units located above or below.	Rules
H117 Sponsors: Stevens, Riddell	(JT)	**Modify Administrative Law Provisions.** Amends GS 150B-21-6. Requires that an agency incorporating material by reference in a rule must specify where members of the public can obtain copies of the referenced material at no cost. Removes language regarding statements citing to former GS 150B-14(b) and (c) for specifying whether referenced material includes subsequent amendments and editions. Creates new subsection (b), which prohibits agencies subject to GS 150B-19.3 (limitation on certain environmental rules) from incorporating subsequent amendments and editions of the referenced material, except through a subsequent rulemaking proceeding. Amends GS 150B-21.9(a)(4) to remove "Part 2" from the subdivision, meaning the revised language would require the Rules Review Commission to find that a rulemaking was adopted in compliance with all of Article 2A (Rules).	Judiciary 2
H196 Sponsor: Johnson	(SD)	**DIT/Omnibus Law Changes.-AB.** Requires every occupational licensing board to require applicants for licensure to provide their social security number. This information shall be treated as confidential and may be released only as follows:	State Government, if favorable, Energy and Public Utilities,

		(1) To the State Child Support Enforcement Program of the Department of Health and Human Services upon its request and for the purpose of enforcing a child support order. (2) To the Department of Revenue for the purpose of administering the State's tax laws. (3) To the Government Data Analytics Center of the Department of Information Technology for purposes authorized under Article 15 of Chapter 143B of the 50 General Statutes."	if favorable, Rules
H209 Sponsor: Humphrey	(CM)	**Consumer Credit Card Protection Act**. Enacts new GS 66-67.10 prohibiting persons selling goods or services at retail, State agencies, local governments, restaurants, and landlords from imposing an extra charge for payment by credit card or debit card. Specifies that the specified entities may offer a discount for payments by cash. Authorizes the Secretary of Commerce to assess civil penalties against a person, other than a State agency or local government for violations. Sets caps on the fees for initial and subsequent violations. Directs that the proceeds of any civil penalties will be remitted to the Civil Penalty and Forfeiture Fund in accordance with GS 115C-457.2. Effective October 1, 2023, and applies to payments made on or after that date.	Banking, then Rules
H259 Sponsors: Lambeth, Saine, Arp	(MB)	**(2023-2024) Appropriations Act.** An Act to make base budget appropriations for current operations of state agencies, departments, and institutions. Provides that persons who are employed in a State-funded position on June 30, 2023, are awarded a legislative salary increase in the amount of 4.25% of annual salary in the 2023-2024 fiscal year and 3.25% of annual salary in the 2024-2025 fiscal year. Allows for any other salary adjustment otherwise allowed or provided by law. [PART XXXIX. SALARIES AND BENEFITS]	Ch. SL 2023-134 on 10/3/2023
H263 Sponsors: Arp, Saine, Lambeth	(MB)	**(2023-2024) Appropriations Act.** An Act to make base budget appropriations for current operations of state agencies, departments, and institutions.	Appropriations, if favorable, Rules
H311 Sponsor: Iller	(JT)	**House Select Committee on HOAs.** PCS adopted which now creates a House Select Committee on Homeowners' Associations made up of 9 appointed members to study the current laws on HOA's and review executive agencies that are best positioned to assist homeowners in resolving complaints against HOAs and submit a report by March 1, 2024.	Adopted on 5/2/2023
H335 Sponsor:	(MB)	**No Privilege Tax for Certain Professions.** Cross-reference it to S182. Repeals GS 105-41, which requires personal privilege	Finance, if favorable, Rules

Tyson		licenses for specified professions, including, real estate brokers, real estate appraisers, persons who solicit or negotiate real estate for another, etc). Effective for taxes imposed for taxable years beginning on or after July 1, 2024.	
H337 Sponsors: Saine, Lambeth, Aprp, Brisson	(MB)	**(2023-2024) Appropriations Act.** An Act to make base budget appropriations for current operations of state agencies, departments, and institutions.	Appropriations, if favorable, Rules
H358 Sponsors: Alexander	(SD)	**Increased Security/Privacy For NC Legislators.** Bars government agencies from publicly posting or displaying publicly available content that includes a legislator's personal information, provided that the government agency has received a written request from the legislator that it refrain from disclosing the legislator's personal information. After the written request is made, directs the removal of any personal information from publicly available content within five business days. Permits a legislator to bring a lawsuit seeking injunctive or declaratory relief if a government agency fails to comply with the legislator's request. Creates a good faith exception for a violation of the Act. Defines personal information as a home address, home telephone number, mobile telephone number, pager number, personal email address, Social Security number, federal tax identification number, checking and savings account numbers, credit card numbers, and identity of children under the age of 18.	Appropriations, if favorable, Rules
H422 Sponsors: Hall, Miller, Blackwell, Alston	(JT)	**Unfair Real Estate Agreements Act.** Enacts new Article 7, Prohibition of Unfair Real Estate Service Agreements, in GS Chapter 93A. Defines Real Estate Service Agreement as a written contract between an Agent, Service Provider, Person, and the owner of Residential Real Estate or a potential buyer of Residential Real Estate to provide services, current or future, in connection with the maintenance, purchase, or sale of Residential Real Estate. Makes a Real Estate Service Agreement unfair if it is effective and binding for more than one year from the effective date and has any of the following characteristics: (1) it purports to run with the land or is binding on future owners of Residential Real Estate identified in the Real Estate Service Agreement; (2) it expressly allows for assignment of the right to provide those services without notice or consent of the owner or buyer; or (3) it purports to create a lien, encumbrance, or other real property security interest. Sets out eight types of agreements that are excluded from the Article.	Ch. SL 2023-117 on 8/24/2023

		Makes an agreement that is in violation of these provisions void and unenforceable. Specifies that an Agent, Service Provider, or Person has no right to a refund of the consideration paid to the owner or buyer in connection with the Unfair Real Estate Service Agreement. Makes the recording of any Unfair Real Estate Service Agreement, or notice or memorandum thereof, a Class I felony. Specifies that a violation of the Article is an unfair or deceptive trade practice. Allows a party whose real property is encumbered by an Unfair Real Estate Service Agreement to bring a cause of action against the Agent, Service Provider, or Person and to be entitled to the relief available in GS Chapter 75. Provides that any recoveries available under GS Chapter 75 will not be offset by the consideration paid by an Agent, Service Provider, or Person to the owner or. Gives the Attorney General enforcement power. Prohibits an Unfair Real Estate Service Agreement, or notice or memorandum thereof, from operating as a lien, encumbrance, or security interest. Prohibits requiring an owner or buyer from recording any document voiding an Unfair Real Estate Service Agreement, or notice or memorandum thereof, recorded in violation of these provisions. Allows but does not require the register of deeds to refuse to accept an Unfair Real Estate Service Agreement, or notice or memorandum thereof, for recordation. Specifies that recordation does not provide actual or constructive notice to any party interested in the Residential Real Estate identified in the Unfair Real Estate Service Agreement. [See also S344]	
H430	(MB)	**Governor's Budget.** Provides that persons who are employed in a State-funded position on June 30, 2023, are awarded a salary increase in the amount of 5% of annual salary in the 2023-2024 fiscal year and 3% of annual salary in the 2024-2025 fiscal year. Allows for any other salary adjustment otherwise allowed or provided by law. [PART XXXIX. SALARIES AND BENEFITS]	Appropriations, if favorable, Rules
H445 Sponsors: Winslow, Watford, Moss, Cairns	(JT)	**Open Meetings Changes.** Amends GS 143-318.13A to require when public body's remote meeting is held because a member cannot attend due to health issues or due to generally unexpected circumstances, that at least a quorum of the public body attend the open meeting in person. Effective October 1, 2023, and applies to meetings held on or after that date.	Rules
H518 Sponsors:	(SD)	**Equality For All.** Amends GS 41A-4, which delineates unlawful discriminatory housing practices, to refer to the protected status of another person as the basis for unlawful discrimination instead of	Rules

Alston, Harrison, Buansi, Price		listing specific protected classes. Defines protected status to mean a person's race, color, national origin, religion, age, disability, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, or genetic information. Includes this term in regards to employment, public accommodation, credit, insurance, jury service, and education. [See also S398]	
H551 Sponsors: Bradford, Hardister, K. Hall	(JT)	**Landlord-Tenant and HOA Changes.** Bars local governments from enacting, maintaining, or enforcing any ordinance or resolution which prohibits an owner, lessee, sublessee, assignee, managing agent, from refusing to lease or rent the housing accommodation to a person because the person's lawful source of income to pay rent; includes funding from a federal housing assistance program. Enacts new GS 42-47, pertaining to service and support animals. Defines health service professional, person with a disability, service animal, support animal, and therapeutic relationship. Bars a landlord from doing any of the following based upon disability or use of a service or support animal: (1) terminate or fail to renew a tenancy; (2) refuse to enter into a rental agreement; (3) impose different rental terms; or (4) otherwise make a dwelling unit unavailable or retaliate. Permits the landlord to require written verification from a healthcare provider if the disability is not observable or already known. Provides for a private right of action for a landlord against any person who intentionally or knowingly: (1) misrepresents to a landlord that their disability or disability-related need for the use of a service/support animal; (2) makes a materially false statement to a health service professional to obtain documentation of their need for a service animal/support animal; (3) provides a document to a landlord that misrepresents that an animal is a service/support animal; (4) fits an animal that is not a service/support animal with an item that would cause a reasonable person to believe that the animal is a service/support animal. Also addresses the conduct of health service professionals with regard to verifying a person's disability status and need for a service/support animal. Amends GS 42-53 to exempt service/support animals from pet fees charged by landlords. Effective January 1, 2024, and applies to rental agreements or leases entered into on or after that date. Amends GS 42-46 (pertaining to fees, costs, and expenses authorized to be imposed in any residential rental agreement) to allow for late fees to be imposed when rent is five calendar days late. (Currently statute just specifies five days late.) Amends the litigation costs provision to add an attorneys' fees provision for small claims and summary ejectment, which is not to exceed for small claims hearings more than 15% of the amount owed by the tenant or 15% of the tenant's monthly rent stated in the lease if eviction is based on default other than nonpayment of rent, and all	Passed House; Senate Rules

		actual reasonable attorneys' fees paid or owed for any appeals of summary ejectment matters. Effective when the act becomes law and is intended to apply retroactively to all pending controversies as of that date. [See also S553]	
H570 Sponsors: Zenger, Winslow, Crutchfield, Saine	(AG)	**Efficient Government Buildings & Savings Act.** Amends GS 143-64.12, requiring the energy consumption per gross square foot for all State buildings in total be reduced by 40% by 2030. Enacts GS 143-64.12A to require all state agencies and institutions of higher learning to ensure that lighting in unoccupied interior spaces and upward-directed flood lighting is turned off, where feasible, on the premises of all buildings owned or leased by the entities from midnight until 6:00 a.m., unless required for safety, emergency, or insurance purposes. Amends GS 143-135.37 to now require every major facility construction project of a public agency to have the building designed and constructed so that the calculated energy consumption is at least 40% (was, 30%) less than the energy consumption for the same building as calculated using the specified energy-efficiency standard. Similarly increases the energy efficiency standard for major facility renovation projects of public agencies from at least 20% to at least 30% less than the energy consumption for the same renovated building as calculated using the specified energy efficiency standard. Requires every State agency and State institution of higher learning to conduct a preliminary practicality and feasibility analysis of implementing energy conservation measures for all building greater than 20,000 square feet in size that have been in use for more than 10 years. Defines economic feasibility to mean the resulting energy savings will cover the cost of implementing the measures within 10 years. Requires the preliminary analysis be completed and a report submitted to the State Energy Office no later than October 1, 2024.	Rules
H600 Sponsors: Riddell Zenger Brody Chesser	(JT)	**Regulation Reform Act of 2023.** Makes changes to regulations related to flood hazard areas and permits deems appropriate. Authorizes DPS to prepare a floodplain map that identifies the 100-year floodplain, in certain circumstances. Makes changes to the Utilities Commission procedures to allow a landlord to charge a tenant for the costs of providing water or sewer service based on usage and an owners' association to charge for the same costs to persons occupying townhomes or condominiums. The bill also contains provisions related to pier and dock construction. In addition, it prohibits agencies from seeking to implement or enforce a policy, guideline, or other interpretive statement if it has not been adopted as a rule and increases the total appraised value of all real estate prizes offered during a calendar year by a nonprofit organization as part of a raffle.	Ch. SL 2023-137 on 10/10/2023

H608 Sponsor: Goodwin	(JT)	**Safety Requirements for Elevators.** Deletes prior requirement that just states the gap between the hoistway face of the landing door and the hoistway face of the car door must not exceed 4.75 inches as well as prior language pertaining to elevator doors or gates. Makes conforming changes to GS 143-143.7(b) and (c) to refer to new requirements and makes technical changes.	Ch. SL 2023-68 on 6/30/2023
H714 Sponsors: Harris, Autry, Harrison	(JT)	**NC Junk Fee Prevention Act.** Enacts Article 51, GS Chapter 66, to regulate covered entities, defined as providers of short-term lodging (limited to six months or less) and entities that advertise rates or the purchase of short-term lodging and other entities determined appropriate by the Attorney General (AG). Requires covered entities to clearly display the total price of the good or service provided in each advertisement and when a price is first shown to a customer, including any mandatory fees a consumer would incur during the transaction. Defines mandatory fees to include required, reasonably unavoidable, or unexpected fees or surcharges, with discretion for the AG to include others deemed appropriate in this definition. Bars increasing pricing during the purchase process and imposing or advertising excessive or deceptive mandatory fees. Prohibits charging a fee, or imposing an excessive or unreasonable requirement, early termination of a covered service. Authorizes the AG to adopt implementing rules. Authorizes the AG to assess penalties of up to $5,000 for each violation of the Article, and take other appropriate enforcement action. Lists factors the AG must consider in determining whether a fee is excessive, including whether the fee is reasonable and proportional to the cost of the good or service and the reason for the charge. Deems a violation of the Article to be an unfair and deceptive trade practice under GS Chapter 75. Effective October 1, 2023.	Rules
H789 Sponsor: Baker	(JT)	**Eviction Record Expunction Act.** Enacts GS 42-36.4 to require clerks of superior court to cause all records of summary ejectment proceedings to be "sealed," as defined, and removed from publicly accessible records. Applies to records kept for three years after entry of the judgement; pending proceedings with no entry of judgment; proceedings dismissed or where judgement was entered for the respondent tenant; and proceedings that name a respondent under age 18. Specifies that the provisions do not affect the docketing or execution of a judgement for monetary damages related to summary ejectment proceedings filed under GS 42-26 on grounds of tenant holdover. Excludes summary ejectment proceeding filed under Article 7 relating to expedited eviction due	Rules

to certain criminal activity at the residence. Effective October 1, 2023, and applies to proceedings initiated on or after that date.

Enacts GS 41A-4(h), making it an unlawful discriminatory housing practice to deny an applicant a rental agreement based on a sealed summary ejectment proceeding.

H791 Sponsors: Longest, John, Morey, Gill	(JT)	**Eviction Post-Judgment Relief Agreements.** Creates new GS 42-36.4 which allows a landlord who has secured a judgment for possession of property in an eviction action to enter into an agreement with the tenant of the property to allow the tenant to retain or regain possession if the tenant fulfils the terms of the agreement. Protects the tenant from eviction under the judgment after they have satisfied the terms of the agreement. Establishes a procedure where the landlord must file a motion for relief of the judgment after the tenant fulfils the agreement, and required steps for approval of the proposed order attached to that motion. Creates penalties if the landlord does not file a motion and proposed order as required by the section. Effective October 1, 2023.	Rules
H805 Sponsors: Longest, Setzer, Liu	(JT)	**Prevent Abusive HOA Foreclosure Practices.** Amends GS 47C-3-107.1 to require that, unless the association agreement provides otherwise, the parties must engage in alternative dispute resolution (ADR) before instituting legal proceedings. Specifies that a party choosing to challenge a decision of the executive board, may, no later than 10 days after receiving notice of the decision, and prior to beginning legal proceedings, request in writing to the other party that the other party submit the claim to mediation or binding arbitration (i.e., ADR). Specifies that if neither party makes a timely request for ADR, the obligation for alternative dispute resolution is satisfied. Lists five matters that apply to claims for mediation and arbitration and that the party invoking ADR is responsible for all costs of the ADR. Amends GS 47C-3-116 to require that a party must comply with the ADR process described above before filing a claim of lien or otherwise beginning a legal proceeding. Provides for notice to unit owner of the right to request ADR as described above. Applies to actions taken by an executive board after the act becomes law.	Rules

Bill No:		SENATE BILLS	Status:
S83 Sponsors: Moffitt, Perry, Hanig	(JT)	**No High-Risk Apps/Gov't Networks & Devices.** A public agency shall not permit the use of any high-risk platform on a network of that public agency. No public agency shall permit an employee, elected official, or appointee of that public agency to install, use, or otherwise access a high-risk platform on a device owned, leased, maintained, or otherwise controlled by that public agency. Exceptions are when investigating or prosecuting crimes, identifying potential security or cybersecurity threats, establishing, testing, and maintaining firewalls, protocols, and otherwise, and participating in judicial or quasi-judicial proceedings. Each public agency shall adopt a policy governing the use of its network and the use of high risk platforms on devices owned, leased, maintained, or otherwise controlled by that public agency. Annually, no later than August 1 and in the format required by the Chief Information Officer, each public agency shall report information to the Chief Information Officer on the number of incidences of unauthorized uses and attempted uses of a high risk platform on that public agency's network. High-risk platforms include TikTok, WeChat, and Telegram, among others. Effective April 1, 2023 and agencies must adopt their policy by July 1, 2023.	Passed Senate; House Rules
S91 Sponsors: Galey, Sawrey, B. Newton	(CM)	**Amend Rule 4/Acceptance of Service.** Amends Rule 4 of NC Rules of Civil Procedure to allow for acceptance of service by completion of a form provided by AOC.	Ch. SL 2023-97 on 7/10/2023
S106 Sponsors: Moffitt, Sawrey, Daniel	(JT)	**APA Rules Requirements Clarification.** GS 150B-18 requires rules to be adopted in substantial compliance with Article 2A (rules). Prohibits agencies from implementing or enforcing against any person a policy, guideline, or other interpretive statement that meets the definition of a rule if the policy, guideline, or other interpretive statement has not been adopted as a rule in accordance with Article 2A. Amends GS 150B-18 by adding that any policy, guideline, or other interpretive statement that an agency attempts to implement or enforce inconsistent with this statute is unenforceable unless it is adopted as a rule in accordance with Article 2A.	Rules
S167 Sponsors: Mayfield, Murdock, Salvador	(CM)	**Source of Income Nondiscrimination Act.** Amends GS 41A-4 to make discrimination on the basis of source of income an unlawful discriminatory practice under the State Fair Housing Act, GS Chapter 41A. Amends GS 41A-3 to define source of income as lawful sources of money, including income or rental payments received from a grant, loan program, the State or federal	Rules

		government or any local governmental unit, including the HOPE program or Section 8 voucher, or financial assistance from a private source, including a nonprofit or other governmental entity, in addition to income derived from a lawful profession or occupation. Effective October 1, 2023.	
S182 Sponsors: Sawrey, Settle, Overcash	(CM)	**An Act to Eliminate Certain Privilege Taxes.** Repeals GS 105-41, which requires personal privilege licenses for specified professions, (attorneys, real estate brokers, real estate appraisers, etc.).	Rules
S244 Sponsors: Smith, Applewhite	(CM)	**Housing Extension.** Enacts new GS 42-14.1A which specifies that unless a lease otherwise provides, in residential tenancies from month-to-month or week-to-week, or tenancies where a tenant holds over after the initial lease expires, that new residential property landlords must give current tenants written notice to vacate at least 60 day before terminating the lease. Also requires new residential property landlords to give current tenants written notice of a rent increase at least 60 days before the rent increase becomes effective. If the tenant rejects the rent increase, the tenant has the option to terminate the residential lease agreement and vacate within 60 days.	Rules
S253 Sponsors: Jackson, Hise, Lee	(MB)	**2023 Appropriations Act.** An Act to make base budget appropriations for current operations of state agencies, departments, and institutions.	Appropriations/ Base Budget, if favorable, re-ref to Rules
S254 Sponsors: Sanderson, Rabon, Meyer	(CM)	**Government Transparency Act of 2023. A**mends GS 126-23 regarding required State personnel recordkeeping by each department, agency, institution, commission and bureau of the State, to require records to show the date and general description of the reasons for each promotion, demotion, dismissal, transfer, suspension, or separation. No longer requires keeping records for suspension or demotion for disciplinary reasons of a copy of the written notice of the final decision of the head of the department setting forth the specific acts or omissions that are the basis of the dismissal. Adds that nothing in the statute authorizes the disclosure of any confidential information protected by HIPAA, the Americans with Disabilities Act, or other applicable law. Requires that for the general descriptions of the reason for each promotion, demotion, dismissal, transfer, suspension, or separation: (1) no general description can disclose information otherwise prohibited from disclosure by an applicable law; and (2) the general description must become part of the record upon the later of the	Rules

		expiration of the time period to file an appeal or a final decision being entered in that administrative appeals process. Requires, by November 30, 2023, each employer affected by this act to adopt personnel policies to effectuate the act to allow its employees to challenge the wording of the general description of any promotion, demotion, transfer, suspension, separation, or dismissal occurring on or after December 1, 2023. This provision is effective when the act becomes law. Effective December 1, 2023, and applies to promotions, demotions, transfers, suspensions, separations, and dismissals occurring on or after that date.	
S257 Sponsors: Hise, Jackson, Lee	(MB)	**2023 Appropriations Act.** An Act to make base budget appropriations for current operations of state agencies, departments, and institutions.	Appropriations/ Base Budget, if favorable, re-ref to Rules
S290 Sponsor: Sawyer	(JT)	**Short-Term Rentals.** Amends GS 160D-1207 (pertaining to periodic inspections under minimum housing codes) to clarify that nothing in that law will be deemed to prevent a local government from enforcing ordinances related to maximum occupancy, as that term is defined in the Vacation Rental Act (GS 42A-4) for a vacation rental property that is subject to the provisions of the VRA. Adds maximum occupancy as a definition in the VRA, defined as the maximum number of persons allowed in a vacation rental, measured as an amount not exceeding four persons per bedroom. Amends GS 42A-31 (pertaining to the landlord's obligation to provide fit premises for a vacation rental) to require the landlord to (1) comply with all current applicable local ordinances and codes; and (2) accurately represent the number of bedrooms and bathrooms on the property and prohibit the rental of the property to a tenant if the maximum occupancy will be exceeded. Sets forth specifications on how to determine the number of bedrooms and bathrooms on the property. Makes technical and conforming changes. Makes conforming changes to GS 42A-32 (tenant's obligation to maintain dwelling unit under the VRA) and GS 42A-33 (responsibilities and liability of real estate broker under the VRA). ***At the March 15, 2022, meeting, the Commission directed staff to raise concerns with the sponsors of bill S290 – Short Term Rentals***.	Rules
S344 Sponsors:	(JT)	**Unfair Real Estate Agreements Act.** [See also H422]	Rules

Krawiec, Overcash, Lowe			
S367 Sponsor: Moffitt	(SD)	**Intercept Communications/All Parties Consent.** Now provides for the interception and disclosure of a wire, oral, or electronic communication to be a Class H felony, unless the person obtained prior consent of all parties to the communication.	Rules
S398 Sponsors: Alston, Harrison, Buansi, Price	(SD)	**Equality For All.** [See also H518]	Rules
S410 Sponsors: Moffitt, Sawrey, B. Newton	(JT)	**Expand Certain APA Standing Provisions.** Amends GS 150B-4, which requires an agency to issue a declaratory ruling as to the validity of a rule or as to the applicability of a given state of facts of a statute administered by the agency or of a rule or order of the agency when it is requested by an aggrieved person. Adds that there is a presumption that a person aggrieved includes an association, organization, society, or other entity collectively representing persons similarly situated to a person aggrieved. Allows the presumption to be rebutted by specific findings by the agency that the interests of the collective entity are not substantially similar to the person aggrieved with respect to the declaratory ruling sought.	Rules
S420 Sponsors: Batch, Garrett, Salvador	(CM)	**Homebuyer Fairness & Protection Act.** Enacts new Article 4, Unenforceable Real Estate Transaction Charges, in GS Chapter 22B. Prohibits a seller of residential real property from requiring, as a condition of accepting an offer to purchase the property, due diligence funds (as defined) in an amount exceeding 1% of the purchase price contained in the offer to purchase. Voids any provision in a contract specifying an amount in excess of this amount. Makes the seller liable for court costs and attorneys' fees in an action to recover due diligence funds specified in a contract provision rendered void and unenforceable under this statute. Effective October 1, 2023. Appropriates $10 million for 2023-24 from the General Fund to the Office of State Budget and Management to be allocated as a grant to the North Carolina Housing Coalition, Inc., to support homebuyer education. Effective July 1, 2023.	Appropriations/ Base Budget, if favorable, re-ref to Rules
S421 Sponsors:	(SD)	**State Employees/Paid Parental Leave.** Enacts GS 126-8.6, requiring eligible State employees, defined to mean employees	Rules

Batch, Garrett, Bode		employed full-time in a permanent, probationary or time-limited position having been continuously employed by the State agency for at least 12 months immediately preceding their first request for paid parental leave, to be granted eight weeks or 320 hours of fully paid parental leave. Mandates that parental leave be in addition to shared leave or other leave authorized by federal or state law, and requires the leave to be available without exhaustion of the employee's sick and vacation leave. Allows agency discretion in granting parental leave subject to public safety concerns. Specifies that the statute does not grant a private right of action. Makes this applicable to all State employees in the executive, legislative, and judicial branches.	
S441 Sponsors: Burgin, Krawiec, Chaudhuri	(KF)	**The Wells Act.** Directs the Legislative Library to send a request for documentation (i.e., the current membership, last reported minutes, current bylaws, and a listing of the entities to which reports are to be submitted) and confirmation of activity to all boards, committees, and commissions that have not expired or been repealed. Directs the Library to compile a list of any entity that fails to respond within 120 days, or responds but has not met within the past 12 months, and to send that list to the Joint Legislative Administrative Procedure Oversight Committee (Committee). Directs the Committee to recommend legislation to the 2024 Regular Session of the 2023 General Assembly to repeal those entities on the list.	Rules
S446 Sponsors: Johnson, Chaudhuri, Perry	(JT)	**Right To Start Act.** Amends GS 143-48 (state policy to promote certain contractors in goods and service contracts); GS 143-135.5 (state policy to promote certain contractors in contracts for the construction of public buildings) and GS 143B-1361 (state policy to promote certain contractors as part of its information technology procurement policy) to encourage and promote these divisions of the State to use contractors that that have been in operation for less than five years, in addition to contractors who are small businesses, women, minorities, and physically handicapped. Requires the Department of Administration to compile information on participation in State goods and services and construction contracts by contractors that have been in business for less than five years. Sets forth required analytics in report. Effective October 1, 2023, and applies to contracts awarded on or after that date.	Re-ref to Finance, then Rules
S512 Sponsors: Daniel, Rabon, Berger	(JT)	**Greater Accountability for Boards/Commissions.** Makes changes to the appointment authority and number of persons on the Utilities Commission, Board of Transportation, NC Wildlife Resources Commission, Economic Investment Committee, Environmental Management Commission, Commission for Public	Ch. SL 2023-136 on 10/10/2023

		Health, Coastal Resources Commission, NC Railroad BOD, and UNC Health System BOD.	
S527 Sponsors: Moffitt, Johnson, Hanig	(JT)	**Safety Requirements for Elevators.** [See also H608]	Passed Senate; House Rules
S553 Sponsors: Perry, Craven, Moffitt	(JT)	**Landlord-Tenant and HOA Changes.** [See also H551]	Rules
S564 Sponsors: Moffitt	(JT)	**Improper Action Claims Act.** Allows citizens of the State who become aware of actions by a public entity that do not comply with legislation enacted by the State to have a cause of action against the public entity to cure noncompliance and to provide remedies in the form of damages. Defines public entity as any board, commission, department, executive department, officer, institution, and any political subdivision of the State. Specifies that a public entity that knowingly fails to comply with an obligation shall be liable for a civil penalty of not less than $5,500 and not more than $11,000 and for the costs of a civil action to recover any of those penalties or damages. Specifies that a public entity may be sued notwithstanding any statutory or governmental immunity that the public entity could otherwise invoke in any civil action not arising under Article 51A. Requires Attorney General to investigate alleged violations of the act and authorizes the Attorney General to bring a civil action against a public entity if it finds a violation of the act.	Rules
S635 Sponsors: Sawyer, McInnis, Lazzara	(JT)	**Orphan Roads.** Makes changes to the subdivision street disclosure.	Rules
S667 Sponsors: Moffitt, Hanig	(CM)	**Regulation of Short-Term Rentals.** Limits a city's ability to adopt or enforce an ordinance, rule, or regulation involving short-term rentals. Allows a city to place occupancy restrictions on short-term rentals or require that contracts for short-term rentals must include copies of city ordinances that regulate noise, parking, etc. Allows cities to require the authorized agent for a short-term rental to be within a 50-mile radius of the property during its occupation**.**	Rules

S686 Sponsors: Sanderson, Johnson, Woodard	(CM)	**Regulatory Reform Act of 2023.** Mandates that the flow rate, to determine the volume of sewage from dwelling units, to be 70 gallons per day per bedroom.	Agriculture, Energy, and Environment
S693 Sponsor: Moffitt	(JT)	**Administrative Procedure Act Amendments.** Adds a person affected by the adoption of a temporary or permanent rule as a "person aggrieved" under G.S. 150B-2(6). Prohibits an agency from proposing a temporary rule for a period of 2 years that is substantially similar to a permanent rule objected to by the RRC unless it is required by state or federal law, or there are changed circumstances or conditions. Prohibits an agency from proposing a temporary rule substantially similar to a permanent rule within 2 years of the permanent rule's publication in the NC register. Allows any person aggrieved by the adoption of a temporary or permanent rule or amendment to file a petition for contested case within 30 days of the effective date of a temporary rule adoption. Prohibits an agency from adopting a rule as temporary when it is subject to legislative disapproval. Requires and agency to prepare a fiscal note when proposing a temporary or permanent rule that regulates the same subject matter as an existing temporary or permanent rule. Requires an agency to file for declaratory judgment within 30 days of a rule being returned to the agency. Allows an ALJ to construe, implement, invalidate, or enforce any decision, or any agreement or settlement agreement, between a person aggrieved and an agency.	Rules
S761* Sponsor: Rabon	(JT)	**Additional General Assembly Appointments.** Appointments persons to various public offices and makes corrections to previous appointments, including correcting the appointment of Robert J. Ramseur to extend to July 31, 2026, instead of June 30, 2026.	Ch. SL 2023-148 on 10/25/2023

NORTH CAROLINA RESIDENTIAL PROPERTY AND OWNERS' ASSOCIATION DISCLOSURE STATEMENT

This form is required by law, with limited exceptions, such as for the first sale of a dwelling never inhabited. N.C.G.S. 47E requires owners to complete this Disclosure Statement and provide it to the buyer. ~~All questions must be answered.~~ Each question must have a response. An owner has the option of selecting Yes (Y), No (N), or No Representation (NR). ~~An~~ If an owner answers Y or N, the owner is only obligated to disclose information about which they have actual knowledge. If an owner selects NR, ~~as an answer, this~~ it could mean that the owner (1) has knowledge of an issue and ~~is choosing~~ chooses not to disclose it, or ~~it could mean that the owner~~ (2) simply does not know. An owner is not required to disclose any of the material facts that have a NR option, *even if they have knowledge of them, but failure to disclose latent, or hidden, defects may result in civil liability.* Representations in this form are those made by the owners, not the owner's ~~agent.~~ broker.

OWNERS: ~~You must answer each of the questions on the form~~. You are required to provide a response to every question by selecting either Y, N, or NR. If ~~you check~~ Y is selected, ~~for any question,~~ you must ~~explain your answer and either describe any problem or~~ provide a written explanation or attach a report from an attorney, engineer, contractor, pest control operator, or other expert or public agency describing it. If ~~you check~~ N is selected, you are stating that you have no actual knowledge of any problem. If you ~~check~~ choose to respond with N to a question and you know there is a problem, you may be liable for making an intentional misstatement. If you ~~check~~ select NR, you are choosing not to disclose the conditions or characteristics of the property, even if you have actual knowledge of them.

If you are assisted in the sale of your property by a licensed real estate broker, you are still responsible for completing and delivering the Disclosure Statement to the buyers; and the broker must still disclose any material facts about your property that the broker knows or reasonably should know, regardless of your responses. You must give the completed and signed Disclosure Statement to the buyer no later than the time the buyer makes an offer to purchase your property. If you do not, the buyer can, under certain conditions, cancel any resulting contract. You should keep a copy signed by the buyer for your records. If something happens to make your Disclosure Statement incorrect or inaccurate (for example, the roof begins to leak), you must promptly give the buyer an updated Disclosure Statement or correct the problem. Note that some issues, even if repaired, such as structural issues and fire damage, remain material facts and must be disclosed by a broker even after repairs are made.

BUYERS: The answers of the owner below are not a warranty and should not be a substitute for conducting a careful, independent evaluation of the Property. Buyers are strongly encouraged to get their own inspections from a licensed home inspector and/ or other professional. Carefully review the entire form. Do not assume No is a guarantee of no defect. If an owner selects No this means that they have no actual knowledge of any defects, it does not mean that a defect does not exist.

BROKERS: A licensed real estate broker shall furnish their seller-client with a Disclosure Statement for the seller to complete in connection with the transaction. The broker shall review such completed form to ensure that the seller ~~completed all answers.~~ responded to all questions. **Regardless of the ~~answers~~ responses of the seller, a broker shall take reasonable steps to disclose material facts about the subject property which the broker knows or reasonably should know and shall not rely solely on the owner's representations.** Brokers working with buyer-clients should obtain a completed copy of this form from the owner or listing ~~agent~~ broker to provide to their client to review and sign. Brokers should explain that this form does not replace an inspection and encourage buyers to protect their interests by having the

property fully examined to the buyer's satisfaction. **Brokers are NOT permitted to complete this form on behalf of their clients.**

Owner(s) and Buyers(s) acknowledge having read and reviewed the above.

PROPERTY ADDRESS/DESCRIPTION _____

OWNER'S NAME(S) _____

~~DATE OWNER ACQUIRED THE PROPERTY _____ DO YOU OCCUPY THE PROPERTY? _____~~

~~IF NOT OWNER-OCCUPIED,~~
~~HOW LONG HAS IT BEEN SINCE THE OWNER OCCUPIED THE PROPERTY? _____~~

~~**NOTE:** Where the question refers to "dwelling," it is intended to refer to any structure intended for human habitation. Where the question refers to the "property" it is intended to refer to any structure intended for human habitation as well as the tract of land upon which it is built. Where "N/A" is selected as the answer, it means the item is not applicable to the particular property.~~

For purposes of completing this Disclosure Statement:
"Dwelling" means any structure intended for human habitation.
"Property" mean any structure intended for human habitation and the tract of land.
"Not applicable (N/A)" means the item does not apply to the property or exist on the property.

A. STRUCTURE/FLOORS/WALLS/ CEILINGS/WINDOWS/ROOF

A#. Is the property currently owner-occupied?
Date owner acquired the property: _____
If not owner-occupied, how long has it been since the owner occupied the property? _____

A1. In what year was the dwelling constructed?

A2. Have there been any structural additions or other structural or mechanical changes to the dwelling(s)?

A3. The dwelling's exterior walls are made of what type of material? (Check all that apply) □ Brick Veneer □ Wood □ Stone □ Vinyl □ Synthetic Stucco□ Composition/Hardboard □ Concrete □ Fiber Cement □ Aluminum □ Asbestos □ Other: _____

A4. In what year was the dwelling's roof covering installed? ~~(Approximate if no records are available.)~~

A5. Is there ~~any~~ leakage or other problem with the dwelling's roof?

A6. Is there ~~any~~ water seepage, leakage, dampness, or standing water in the dwelling's basement, crawl space, or slab?

A7. Is there ~~any problem with present infestations of~~ an infestation present in the dwelling or damage from past infestations of wood destroying insects or organisms ~~which~~ that has not been repaired?

A8. Is there ~~any~~ a problem, malfunction, or defect with the dwelling's:

	N/A	Y	N	NR		N/A	Y	N	NR

Foundation	□	□	□	□	Attached garage	□	□	□	□
Slab	□	□	□	□	Patio	□	□	□	□
Fireplaces/chimneys	□	□	□	□	Deck	□	□	□	□
Floors	□	□	□	□	Ceilings	□	□	□	□
Windows	□	□	□	□	Interior/exterior walls	□	□	□	□
Doors	□	□	□	□	Other: _____	□	□	□	□

Explanations for Section A Questions (Identify specific question for each explanation):
_____
_____
_____

B. HVAC/ELECTRICAL

B1. Is there ~~any~~ a problem, malfunction, or defect with the dwelling's electrical system (outlets, wiring, panel, switches, fixtures, generator, etc.)?

B2. Is there ~~any~~ a problem, malfunction, or defect with the dwelling's heating and/or air conditioning?

B3. What is the dwelling's heat source? (Check all that apply) □ Furnace [_____# of units]
□ Heat Pump [_____# of units] □ Baseboard [_____# of ~~units]~~ bedrooms with units]
□ Other: _____
Year of system manufacture: _____

B4. What is the dwelling's cooling source? (Check all that apply) □ Central Forced Air
□ Wall/Window Unit(s) □ Other: _____
Year of system manufacture: _____

B5. What is the dwelling's fuel source? (Check all that apply) □ Electricity □ Natural Gas
□ Propane □ Oil □ Other: _____
*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.

Explanations for Section B Questions (Identify specific question for each explanation):
_____
_____
_____

C. PLUMBING/WATER SUPPLY/SEWER/SEPTIC

C1. What is the dwelling's water supply source? (Check all that apply) □ City/County
□ Community System
Private Well □ Shared Well □ Other: _____

*If the dwelling's water source is supplied by a private well, identify whether the private well has been tested for: (Check all that apply) □ Quality □ Pressure □ Quantity If so, what was the date of the last well test? _____

C2. The dwelling's water pipes are made of what type of material? (Check all that apply)
□ Copper Galvanized □ Plastic □ Polybutylene □ Other: _____

C3. Water heater fuel source: (Check all that apply) □ Gas □ Electric □ Other
Year of system manufacture: _____

C4. What is the dwelling's sewage disposal system? (Check all that apply)
□ 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: _____

*If the dwelling is serviced by a septic system, how many bedrooms are allowed by the septic system permit? _____ □ No records available
Date the septic system was last pumped: _____

C5. Is there ~~any~~ a problem, malfunction, or defect with the dwelling's:

	N/A	Y	N	NR		N/A	Y	N	NR
Plumbing system (pipes, fixtures, water heater, etc.)	□	□	□	□	Sewer system	□	□	□	□
Water supply (water quality, quantity, or water pressure)	□	□	□	□	Septic system	□	□	□	□

Explanations for Section C Questions (Identify specific question for each explanation):
_____
_____
_____

D. FIXTURES/APPLIANCES

D1. Is the dwelling equipped with an elevator system?
If yes, when was it last inspected? _____ Date of last maintenance service: _____

D2. Is there ~~any~~ a problem, malfunction, or defect with the dwelling's:

	N/A	Y	N	NR		N/A	Y	N	NR
Appliances to be conveyed (range/oven, attached microwave, hood/fan, dishwasher, disposal, etc.)	☐	☐	☐	☐	Gas logs	☐	☐	☐	☐
Attic fan, exhaust fan, ceiling fans	☐	☐	☐	☐	Pool/hot tub/spa	☐	☐	☐	☐
Central vacuum	☐	☐	☐	☐	Sump pump	☐	☐	☐	☐
Elevator system or component	☐	☐	☐	☐	Security system	☐	☐	☐	☐
Garage door system	☐	☐	☐	☐	TV cable wiring or satellite dish	☐	☐	☐	☐
Irrigation system	☐	☐	☐	☐	Other systems: _____	☐	☐	☐	☐

Explanations for Section D Questions (Identify specific question for each explanation):
_____
_____
_____

E. LAND / ZONING

E1. Is there ~~any~~ a problem, malfunction, or defect with the drainage, grading, or soil stability of the property?

E2. Is the property in violation of any local zoning ordinances, restrictive covenants, or other land-use restrictions (including set-back requirements)?

E3. Is the property in violation of any building codes (including the failure to obtain proper permits for room additions or other changes/improvements)?

E4. Is the property subject to any utility or other easements, shared driveways, party walls, or encroachments from or on adjacent property?

E5. Does the property abut or adjoin any private road(s) or street(s)?

E6. If there is a private road or street adjoining the property, are there any owners' association or maintenance agreements dealing with the maintenance of the road or street?

E7. Is the property designated or registered as a historic property or located in a historic district?

Explanations for Section E Questions (Identify specific question for each explanation):

_____

_____

_____

F. ENVIRONMENTAL / FLOODING

F1. Are there ~~any~~ hazardous or toxic substances, materials, or products (such as asbestos, formaldehyde, radon gas, methane gas, lead-based paint) ~~which~~ that exceed government safety standards located on or which otherwise affect the property?

F2. Is there ~~any~~ debris (whether buried or covered), ~~or~~ underground storage tanks, or ~~any~~ an environmentally hazardous condition (such as contaminated soil or water or other environmental contamination) located on or which otherwise affect the property?

F3. Is there any noise, odor, smoke, etc., from commercial, industrial, or military sources ~~which~~ that affects the property?

F4. Is the property located in a federally designated flood hazard area?

F5. ~~To your knowledge,~~ Has the property experienced ~~any~~ damage due to flooding, water seepage, or pooled water attributable to a natural event such as heavy rainfall, coastal storm surge, tidal inundation, or river overflow?

F6. Have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program?

F7. Is there a current flood insurance policy covering the property?

F8. Have you received assistance from FEMA, U.S. Small Business Administration, or any other federal disaster flood assistance for flood damage to the property?

F9. Is there a flood or FEMA elevation certificate for the property?

NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy. For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance can result in an owner being ineligible for future assistance.

Explanations for Section F Questions (Identify specific question for each explanation):

_____

_____

_____

G. MISCELLANEOUS

If you answer 'Yes' to any of the questions listed in Section G, please explain or in lieu of providing a written explanation, you may attach a written report to this Disclosure Statement by a public agency, attorney, engineer, land surveyor, geologist, pest control operator, contractor, home inspector, or other expert, dealing with matters within the

scope of that public agency's functions or the expert's license or expertise.

G1. Is the property subject to any lawsuits, foreclosures, bankruptcy, judgments, tax liens, proposed assessments, mechanics' liens, materialmens' liens, or notices from any governmental agency that could affect title to the property?

G2. Is the property subject to ~~any~~ a lease or rental agreement?

G3. Is the property subject to governing documents separate from an owners' association ~~which~~ that impose various mandatory covenants, conditions, and/or restrictions upon the lot or unit?

Explanations for Section G Questions (Identify specific question for each explanation):

_____

_____

_____

H. OWNERS' ASSOCIATION DISCLOSURE

H1. Is the property subject to regulation by one or more owners' association(s) including, but not limited to, obligations to pay regular assessments or dues and special assessments? If your answer is "yes," please provide the information requested below as to each owners' association to which the property is subject [insert N/A into any blank that does not apply]:

a. (specify name) _____ whose regular assessments ("dues") are $ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager are:

_____

_____

_____

b. (specify name) _____ whose regular assessments ("dues") are $ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager are:

_____

_____

_____

c. Are there any changes to dues, fees, or special assessment which have been duly approved and to which the lot is subject? If your answer is "yes," please state the nature and amount of the dues, fees, or special assessments to which the property is subject:

_____

_____

If you answered "Yes" to question H1 above, you must complete all remaining questions in Section H. If you answered "No" or "No Representation" to the Owners' Association question H1 above, you do not need to answer the remaining questions in Section H.

H2. Are any fees charged by the association or by the association's management company in connection with the conveyance or transfer of the lot or property to a new owner?
If your answer is "yes," please state the amount of the fees: _____

H3. Are there any unsatisfied judgments against, pending lawsuits, or existing or alleged violations of the association's governing documents involving the property?
If your answer is "yes," please state the nature of each pending lawsuit, unsatisfied judgment, or existing or alleged violation. _____

H4. Are there any unsatisfied judgments or pending lawsuits against the association?
If your answer is "yes," please state the nature of each unsatisfied judgment or pending lawsuit.
_____

H5. Which of the following services and amenities are paid for the owners' association(s) identified above out of the association's regular assessments ("dues")? (Check all that apply.)

	N/A	Y	N	NR		N/A	Y	N	NR
Roof	☐	☐	☐	☐	Exterior Yard/Landscaping Maintenance	☐	☐	☐	☐
Siding	☐	☐	☐	☐					
Common Areas Maintenance	☐	☐	☐	☐	Storm Water Management/Drainage/Ponds	☐	☐	☐	☐
Trash Removal	☐	☐	☐	☐	Private Road Maintenance	☐	☐	☐	☐
Pest Treatment/Extermination	☐	☐	☐	☐	Parking Area Maintenance	☐	☐	☐	☐
Water	☐	☐	☐	☐	Security	☐	☐	☐	☐
Sewer	☐	☐	☐	☐	Internet Service	☐	☐	☐	☐
Recreational Amenity Maintenance (specify amenities covered): ☐	☐	☐	☐	☐	Other: _____	☐	☐	☐	☐

Explanations for Section H Questions (Identify specific question for each explanation):
_____
_____
_____

Owner(s) acknowledge(s) having reviewed this Disclosure Statement before signing and that all information is true and correct to the best of their knowledge as of the date signed.

Owner Signature: _____ Date _____
Owner Signature: _____ Date _____

Buyers acknowledge receipt of a copy of this Disclosure Statement and that they have reviewed it before signing.

Buyer Signature: _____ Date _____
Buyer Signature: _____ Date _____

No.	Section	Public Comment	Feedback	Name	Role
1	Formatting	In A8 and D2, another option of NA (not applicable) would be helpful in the cases where one or more of those items aren't present in the home.	Various Suggestions	Stacy Jacobs	Broker
2	Formatting	Hello, I have a suggestion about the form and that is to remove the date on all the pages except the signature page. No other form requires dates on every single page. As an agent who uses this form all the time and is tasked with getting the initials and signatures and dates, eliminating the dates on all but one page would be a welcome change, especially given that the form has been doubled in length.	Various Suggestions	Theresa Hutchins	BIC
3	Formatting	We already burden our clients with enough paperwork. Is it really necessary to take a 4-page disclosure and *double it??* Please find someone skilled at designing forms and condense this to a more readable, less clunky format. There is no reason to break up sections between pages. There are cleaner options that don't require adding even more pages. Last, placing undue burden on agents to take extra measures to uncover property defects goes well beyond what an agent 'should know'. From a legal perspective, it leaves me feeling that I should hire an expert to evaluate the property before listing. Otherwise, this very subjective language leaves me, the broker, at huge legal risk. What should a broker know? It isn't covered with clarity in our training. We do not learn the principles behind the anatomy of a home and associated defects. Many of us have years of experience and can spot visible signs of potential problems. But most do not. Broker experience and knowledge are not uniform. Legislating a rule that requires all agents to be equally informed about the condition of a house is an unfair burden. This is why we have home inspections. Let's leave it in the hands of the trained professionals.	Negative	Jennifer Monroe	BIC
4	Formatting	I really like the thorough explanations added to this and the separation of categories as well! Great layout for sellers, buyers & brokers! I have 2 comments regarding a change: (1) Near the bottom of Page 7, in bold print, it states to skip to the last page and Initial & Date; however, there is a second set of signatures on the last page, not a space for Initials & Date. (2) Must we have 2 signature spaces? Can we not initial & date Page 1 and then have signatures on Page 8 only?	Positive	Donna Chase	BIC
5	Formatting	Please please please combine the MOG (ridiculous form) with the RPD since the MOG is not required for vacant land (which is a joke because placing a house on vacant land then requires the MOG). We don't need extra forms when they can be combined. Why can't the LBPA be included in the RPD? Can you not make a multi page RPD with the MOG, LBPA and all disclosures that you want? Please help us, help buyers and sellers by reducing the number of documents which makes the buying and selling process look much more complicated than what it is.	Various Suggestions	Kirk Hanson	Broker

6	Formatting	The formatting needs to be tightened up, so this is not 8 pages. Too many unnecessary spaces. The chunky heading rectangles are superfluous and visually distracting, and the additional white space around them just adds to the document length. The descriptions should be longer, so cumulatively there are less lines of text. The formatting for the boxes does not require the room provided- which means the description sentences can be longer. the check boxes will only have that, so they can be close to each other, and with less of a right side margin. Need to be sensitive in general to the idea that sellers get handed a bunch of documents to complete, with many pages. Reducing the wasted space makes them smaller and less cumbersome, and less stressful, to complete. Also don't think the address needs to be repeated at the top of each page. Redundant. It's clear it is a multipage document, and the address at the first page is sufficient.	Negative	S	N/A
7	Formatting	See attached Exhibit for Comments.	Negative	Paula Marzella	Broker
8	Formatting	The changes recommended on the form seem quite repetitive to me. 8 Pages is very intimidating to sellers and I think they will feel very put out by repetitive questions and statements. Of course I will follow what the commission decides to do, but I sincerely hope that time is taken to adjust accordingly. I feel the current 4 pages cover questions on a property very clearly. Thank you for keeping our best interests in mind and keeping us out of Real Estate Jail.	Negative	Valerie Dupree	Broker
9	General	I believe the new proposed form would be very helpful.	Positive	George Ware	N/A
10	General	The more you try to streamline, It just gets more complicated and longer. What happened to "buyer beware" and a buyer relying on their own home inspection? ? Seems to be creating more/greater liability for the seller.	Negative	Larry McGuire	Broker
11	General	See attached Exhibit for Comments.	Negative	Chris Yaeger	BIC
12	General	I couldn't find anything to improve, but I'm so glad it's being revised. Looks great and the changes are appropriate and appreciated.	Positive	Ginny Love	Broker
13	General	My opinion of the new change is that it's "a horrible idea". It's asking for more litigation between buyer/seller and agents. I'm confused why in NC its not mandatory for a seller to disclose material facts? I was an agent in MD for 28 years, seller's had to disclose or they would be held responsible for fixing, repairing or buying back the property. My next thought you're putting more responsibility on real estate agents. It's a fact buyers/sellers will go after agents for financial remedy. With this new change we are going to see more lawsuits and sellers have no accountability for not disclosing material facts. It might be a red flag for a buyer and buyers agent but how do you determine the material fact without more expense to the buyers. Realtors should be neutral, not side with the buyer or seller, this rule change benefits the seller. I would please ask you not to change the form as you propose.	Negative	Karan Schwencer	Broker

14	General	I would like to share a comment regarding the proposed changes for the Residential Property and Owner's Association Disclosure Statement. For the informational questions, I think it would be a good idea to have a box to check for unknown. For example, the dwelling's water pipes are made of what type of material? Most homeowners do not know the answer to this question and an unknown box would be a good option instead of checking no representation.	Various Suggestions	Tim Rohan	Broker
15	General	I still think this language is ambitious. What is "some" I would put "ALL issues, even fixed" need to be disclosed. I see this all the time. Many times fixed issues come up and the broker has no information and the seller forgot to share."Note that some issues, even if repaired, such as structural issues and fire damage, remain material facts and must be disclosed by a broker."I would have the seller have more or expected disclosure in ROPD. Just my humble opinion.	Negative	Elizabeth Paner	Broker
16	General	See attached Exhibit for Comments.	Various Suggestions	Lisa Aguilar	BIC
17	General	I think RPOAD is better and easier to ready and acknowledge.	Positive	Brenda Hoyle	Broker
18	General	In my opinion the proposed disclosure is too long and too detailed. It is too complicated for the average Realtor to understand, much less the owner. The unintended consequences will be owners marking no representation. This in turn will increase the liability of the broker. I think this is an ill advised form at this time. There needs to be more input from the real estate practitioners.	Negative	Jimmy Townsend	Broker
19	General	Thanks for all of your efforts! My thoughts are below. Maybe something will be useful. I have a gut feeling that the new, much longer form is going to seem "scarier" for sellers and is more likely to result in a higher number of "no representation" answers, or RPDs that are filled-out completely with "NR". The more often that a seller chooses "NR", the more we as Realtors are going to be litigated for items we "should have known", which is a very gray area. If I were a seller (and not an agent) with limited knowledge of how the systems of my home actually work, I think I'd be nervous about answering anything other than "NR" on this doc. It might be nice if there were even more emphasis in the descriptions up-front that it's being filled-out "to the best of the sellers' knowledge" and that a seller may simply not be aware of certain issues. Or greater clarification that "NR" is the only option available when a seller's answer is "I don't know for sure", and/or additional emphasis on the fact that NC sales are "as-is" and it is a buyer's right *and responsibility* to perform their own due diligence with the assistance of their agent. If the "If you answered 'yes' to any of the questions..." bold section under G2 is where a seller is supposed to explain the answers to *any* of the questions all the way back to Page 1, it isn't clear in the current formatting. The way it's connected to and indented with G2, it looks like that's simply where you would explain your answers to any questions in the G section only. I think this needs to be its own paragraph to get a seller's attention to fill-out and a buyer's attention to review. At the very least, I think it needs to be more visually separated from G2 (greater vertical spacing and left indented). Near the bottom of Page 7 where it says you can "skip to the bottom of the last page", I could see some folks forgetting to initial on the bottom of page 7 itself.	Various Suggestions	Clay Arnold	Broker

20	General	I have been licensed in real Estate longer than almost anyone I know and have been active during that period in most phases of Real Estate. Now and for some years a proud Realtor Emeritus. Only reason for mentioning this is to convey my long observation period. From one page contracts to what is now an ongoing..... complexity. There is no question. More happy buyers and sellers historically than now. We have become litigious. Partly and mostly because the Realtor is being pushed in directions beyond our scope and knowledge base. This also includes agency. What law firm practices dual agency? Why are we letting this happen and pushing it further along? Where will we be in the next 5-10 years? Complexity never improves situations. The smartest seek simplicity. It works. Lets get back to basics and stop the insanity of all these changes. We have already gone too far.	Negative	David Shaw	Broker
21	Guide	I am very grateful for this form being more thorough! There are too many items that an agent could be held accountable for that are vague, gray, or not spelled out, which I feel is unfair to the real estate community and their clients. On page one you say…Note that some issues, even if repaired, such as structural issues and fire damage, remain material facts and must be disclosed by a broker. My only request is to be even more thorough and specific here as to which items after repair still need to be disclosed UNLESS this is everything. It shouldn't be up to interpretation for an agent. If it would protect the agent and the more sensitive buyer I would be okay if this was 10 pages long.	Positive	Jonathan Bunn	Broker
22	Guide	The "dispute" language is way too vague. NCREC clearly has no idea how many folks have disputes going on with neighbors. Example: their music is too loud, their dog poops in my yard, their fence is on my property (no survey) and my favorite is he mowed my yard. Disputes. Not legal disputes. Clarify. Maybe ask actual working agents to participate in the process. Anyone not running a lot of business, doesn't get it.	Various Suggestions	Karin Head	Broker
23	Guide	I am writing to object to the changes in the Residential Property and Owners Association Form. The Proposed changes include removing the exemptions set forth in G.S. 47E, specifically the statutory exemption of the first-sale of homes. The current form has example exemptions prominently listed in paragraph 1. As most Realtors do not know the General Statutes, you are setting me up to have a confrontation every time I build/ sell a house and refuse to complete the form. I think it makes them look bad in front of their clients when I have to educate them, so I'd like to have the last sentence of the current paragraph 1 remain prominently on the first page of the new form.	Various Suggestions	Karla Knotts	Builder
24	Guide	As an Licensed REALTOR® for almost 2 decades, I'm finally speaking out about length of forms the commission and NCAR puts out every year that (pretty much) lays the burden on the agent to make sure they can explain, but not interpret, to our clients without a law degree!! These 8 pages are absolutely ridiculous when you start out saying: *" An owner is not required to disclose any of the material facts that have a No Representation option, even if they have knowledge of them. Representations in this form are made by the owners, not the owner's agents or subagents."* So essentially EVERY seller could mark NA on EVERY property. YET, the agent is liable to basically do a home inspection and disclose everything they "should have reasonably known". This takes the burden off the actual owner and solely places it on the head of the agent. Now that the commission is "no longer confined by the specific rule language", it should have gone to less pages.	Negative	Tracy Riba	Broker

25	Guide	8 pages for this seems excessive. All the messages to the seller/buyer/broker before the questions are started seem redundant since the right to cancel is explained in the contract a buyer signs, the instructions to the brokers are taught and part of NC law, and so on. Are we now assuming everyone is so unintelligent that they must have everything in writing before filling out a form? I like the new layout of the questions, but would like to see the messages put on a different, instructional form that has optional use.	Negative	Laura Chilcoat	Broker
26	Guide	See attached Exhibit for Comments.	Negative	John Lynn	Broker & Auctioneer
27	Guide	I would like that you please provide explanation for "No Representation" from all perspective. Meaning if a seller selects "No Representation" that doesn't just mean what you have stated "this could mean that the owner has knowledge of an issue and is choosing not to disclose it." No representation can also mean that the seller may not have lived in the property long enough to select Yes or No. I just don't like the fact that you have provided just one of the reasons why a seller may choose No Representation although there could be other reasons as well. So please add other meanings to No Representation or remove the meaning that you have provide as it seems like that's the only meaning a No Representation may have. "Representations: An owner has the option of selecting Yes (Y), No (N), or No Representation (NR). If an owner selects No Representation, this could mean that the owner has knowledge of an issue and is choosing not to disclose it. An owner is not required to disclose any of the material facts that have a No Representation option, even if they have knowledge of them. Representations in this form are made by the owners, not the owner's agents or subagents."	Various Suggestions	Asim Ghulamani	Unknown

28	Guide	Here are some thoughts on the Property Disclosure Statement. Thanks for the opportunity for input! (1) Exemptions? Should there not still be some reference to exemptions as in the opening statement of the current form? [And on that note would be nice to have something for land sales requiring more disclosure. From personal land search in MLS it's frustrating how many listing agents say NO to the question of Deed Restrictions when the property is clearly in a subdivision/HOA with restrictions – which I would think (and NCAR atty agreed) is a clear and obvious Deed Restriction.?] (2) Purpose/Message to Owners Overall – since all this stuff is such a hotbed of anger, confusion, frustration and lawsuits, would be great to jump right in with a stronger warning of sorts to sellers about to fill this out. "WHEN IN DOUT – DISCLOSE! Nothing in this form prevents a buyer from successfully suing a seller in court for fraud." Or is that incorrect? At the very least, would be good to have a disclaimer on page 1 Message to Owner section c. similar to section b. making it more clear that NR is not a "get out of jail free card" so to speak. Example – should an owner be allowed to check NR if he/she intentionally covered up an issue that a buyer or buyer inspector could not reasonably discover. Reference: Everts v. Parkinson, Court of Appeals stated that "[a] duty to disclose material facts arises where material facts are accessible to the [seller] only, and he knows them not to be within the reach of the diligent attention, observation and judgment of the purchaser." The Court concluded that a jury could infer from the evidence that material defects were known to Mr. Parkinson, that he knew the Everts' were not aware of the defects and would not discover them in the exercise of diligent attention or observation, that Mr. Parkinson therefore had a duty to disclose the existence of the defects to the Everts', and that his failure to do so supported their claim of fraud. (3) D1 Elevator System Seems odd to have D1 just kind of sitting there by itself when it's an item in D2 anyway.?	Various Suggestions	Glen Goodwin	Broker
29	Guide	Thank you so much for allowing comments to the new disclosure statement! I have a couple of comments. (1) I think some sellers may find the red comment in bold confusing when there is a No Representation option. Personally, I always try and get my sellers to fill the form out but some do choose to elect No Representation as is their right still in NC. With the statement in bold and red at the top "WHEN IN DOUBT – DISCLOSE!" at the top I believe at the very least that will confuse sellers of their rights regarding the disclosure and at worst could open sellers up to some risk of liability. If they mark NR when the form clearly and abruptly says they should disclose and there is something wrong can the buyer now come back on the seller for something that was wrong that the seller knew about and chose NR? I think the answer would be no but I see potential scenarios between buyers and sellers arising with that being an issue. (2) I would love to see the MOG and Property Disclosure combined into one form! For ease of use I think it would be great to include the MOG statements in with this form rather than having 2 separate disclosures. When doing so, I think it would be beneficial if the inital spots next to each MOG statement could also be removed. It seems redundant to me to have 6 initial spots and then have an initial at the bottom of the page.	Various Suggestions	Russ Lockamy	BIC

30	Guide	We had a situation on a closing where the seller did not disclose something correctly and we had no way of knowing the answer and the attorney said the buyers could sue us. I don't believe any agent should be responsible to disclose things about the home condition, updating etc. The seller should disclose and they should be liable. HVAC units have the plates that show the age on them so not disclosing is just wrong. As an agent I have to pull this information up all the time for buyers. Liability should be taken off of agents in regard to the condition of the home and/or age. I think our biggest issue is due diligence money and buyers feeling like no one is telling them about the home. Either have due diligence money due after home inspection within x amount of days or something. This is where the issue is, not someone filling out a form. If buyers were not giving substantial money on a home then the questions would not be as important.	Negative	Jackie Gautrea	Broker
31	Guide	I have real problems with the public facing "Message to Broker" section of this proposed form. Real estate agents are not home inspectors, nor are we trained in such. I agree with disclosing the information that we know about the home that the seller does not disclose, if we know about it, but to use the statement "reasonably should know" is a vague statement with no guidelines. This section places more liability on the listing agent of which the general public is not better protected. This section provides yet another avenue for the seller/buyer to blame someone else for issues that arise from this process and does place any accountability on their own due diligence. I would propose adding a clause that does not allow for a seller who has owned the property for greater than a year to choose the " no representation" choice. The state needs to hold sellers more accountable to providing this vital information. I am sure that anyone who owns a property longer than a year knows most of this information, whether living there or not. The majority of people sell a home infrequently and this is not problematic, however, the real problem arises from investors who buy and sell frequently and have a financial interest in not disclosing this information. A different form that would be specifically used for rental/investor property may serve the public better. I would like to see this section removed from this proposed form as it serves no real purpose other than to provide confusion to the general public as well as a way to remove accountability to the seller.	Various Suggestions	Allen Wilhelm	Broker
32	Guide	My suggestion is in the Message to Buyer section, Instructions, paragraph c., that the first few words follow the same format as the preceding two paragraphs. Change "Schedule inspections, a buyer is expected to . . . " to "Schedule inspections. A buyer is expected to . . . ". I know it's nitpicking, but I believe the more clarity, the better. Overall, I like the form and I think it is simpler and more clear than the current form.	Positive	Sarah Lawing	Broker / Instructor
33	Guide	Currently the language for anything " no representation" makes it seem like sellers are trying to avoid sharing details - sometimes it's because they don't know. (1) Under Fixtures/Appliance check boxes, add an "n/a" so if it doesn't apply there isn't confusion on what to check or how to leave blank. (2) Think initialing each page feels like overkill now that it's so long. Is signing the last page not enough? (3) If there is any way to simplify the first few paragraphs of explanation… example - agent to furnish this doc to seller… use simple words like provide.	Various Suggestions	Lindsay Redfern	Broker

34	Part A	What about disclosures of non-permitted work on a home? I live in an area where there are many repairs or new equip installed (HVAC for example) where a permit is required. The sellers don't disclose lack of permits (and therefore their work is not inspected). It is tough for an agent to know this. If we ask and they say no, what more can we do to "discover" and disclose? Do we disclose in "Agent Remarks?"	Various Suggestions	Angie Hambling	Broker
35	Part A	since the only item that is required to be disclosed even after it is cured is a structural issue, shouldn't there be a question about knowledge of any previous/cured structural issues?	Various Suggestions	Anonymous	
	Part A	Why is there no option for "hard stucco" on the disclosure?	Various Suggestions	Peggy Peterson	Broker
36	Part A	Regarding the proposed revised Property Disclosure, I would like to make the following suggestions: (1) In question A2, could you ask if the additions were permitted properly?(2) In Section A8, there are many questions asked. Could there be space added for sellers to write comments? For example, there could be one window that has a small crack (minor issue), or many windows could be actively leaking (major issue).	Various Suggestions	Christine Osborne	Broker
37	Part A	Hi - one more comment on the new disclosure. For the structure question - is that for the entire age of the house or only during the current owner's period? What if the owner made changes and is happy to check yes, but is unaware of previous work done? Would checking yes obligate them to disclose something they don't know? Seems like the answer choices could be similar to the Mineral and Gas Rights form, with an option for "no rep" for previous owners, if the intention is to disclose any and all structural work ever done.	Various Suggestions	Hilary Stokes Reaves	Broker

38	Part A	As a rather recent purchaser of a home in Asheville, Buncombe county I would request that it should be mandatory that the seller disclosure document contain confirmation that they have received permits and final inspections for renovated properties. I was looking for a property that was not a fixer upper as I am a senior citizen on disability, so very limited income or ability to pay for a lot of fixes. Thought that was what I was buying. Now I have electrical outlets that are hanging off the wall, smell of electrical burning, unexplainable power drops in my bedroom, water pooling at the house, deck 'ceiling' that is warping…and that is just part of the list. The seller of my property said that they had a permit she just was not able to find the paperwork - come to find out (thanks to county employees) they never submitted or obtained a permit for the property. I now have to use my disability checks to fix issues with the home that an (electric/roofing/etc) inspector should have/would have identified as issues during permit inspections. The seller also informed my agent and I that they used licensed professionals, however could not recall who they were as there were too many. RECAP/ASK of NC RE Commission: I firmly believe that the RE commission should be driving processes to ferret out these scenarios and help the buyer get clarity on what they are buying. Some thoughts: 1. Make one of the first sections on the disclosure document focus on renovations/permits/inspections - to include permit numbers. And it should not be optional response 2. Have process for buyers to submit cases such as this so if the seller sells future properties the commission can submit to the respective county for review. They are after all cheating the county out of funds by bypassing the process(es). And potentially creating hazardous situations for the buyer and county emergency support. 3. There should be some path forward for the buyer to seek assistance if the seller was not honest with their disclosure.	Various Suggestions	Barbara Collum	Buyer
39	Part A	I am just the office manager here, but we had two instances in the past year where we represented buyers for homes had infestation problems that were not disclosed by sellers. As a seller, if one reads the RPOAD and answers it truthfully those infestations would most likely go undisclosed as the question 21 seems to be directed at wood-destroying insects or organisms. Specifically, the infestations that were involved were: 1. Bedbugs (an active/known infestation) and 2. Bats in the attic (also a known infestation). In the first case with the bedbugs, our buyers had to deal with the infestation upon moving in and discovering the bedbugs. After contacting the pest company to schedule an appointment they discovered that the pest company had already treated the property more than once. Again, this was not disclosed by the sellers on the RPOAD, and there really doesn't seem to be a place to do that as question 21 seems to refer to only wood-destroying insects? In the second case, the buyers terminated within their DD timeframe because the husband suffers from severe respiratory issues and upon discovering the bat issue, did not feel comfortable moving forward, even with remediation. Luckily he got his DD money back because the issue had not been disclosed and the seller was very cooperative and understanding. So if there is any way that line 21 could be edited/clarified to read infestations of any type (i.e bats, bedbugs, mice, fleas…etc), not just wood-destroying pests that might be very helpful to potential buyers.	Various Suggestions	Anitra Soto	Office Manager

40	Part B	I hope you are doing well. I am writing regarding the proposed changes to the Residential Property and Owner's Association Disclosure Statement. I appreciate the efforts to modernize the statement and include crucial disclosures. I would like to suggest a further enhancement - adding internet and cell phone reception disclosures. In today's digital age, reliable connectivity is essential for property buyers and owners. Including specific questions about available internet services, types of connections, average speeds, and cell phone signal strength would empower buyers to make more informed decisions. Please consider this suggestion before the final adoption of this form. Thank you for your attention to this matter and all that you do.	Various Suggestions	Natalie Newman	Property Manager
41	Part B	On lines B3 and B4 could you possibly make the year of the systems in bold letters? It is rare for the age of the roof to be left out of the property disclosure but it is equally as rare to have the age of the heating and air conditioning systems to have the age disclosed. It is something people have to look for.	Various Suggestions	Ann Rudd	Broker
42	Part B	I know the deadline has passed to make suggestions but it would be great if sellers had to disclose whether internet were available, the type and the providers, as well as TV reception options. Also, buyers need to know the availability of garbage pick up services.	Various Suggestions	Kathleen Worrell	N/A
43	Part C	Sewer: add grinder pump. Has there been a meth aphedime lab on the property? HOA's: any changes being made to the amenities or planned improvements ? If so, Will there be a special assessment? Any rule changes in process ?	Various Suggestions	Nancy Freiburger	Broker
44	Part C	I must say that I truly love the new RPD format! So detailed and through and the actual format of it is much easier to understand. Much like there is this question regarding the well [C2. If the dwelling's water source is supplied by a private well, have you had the well tested? If so, what was the date of the last well test?] There should be the same type of question tied to the septic system. So it would read out like this. [C6. 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. When was the last itme the septic tank was pumped? Inspected?] Thank you for allowing public comment. I hope this makes it into the new Disclosure form.	Positive	Richard Paulicelli	Broker
45	Part C	Two comments: (1) Well testing question was added. Might also be beneficial to ask about septic pumping, if done/when? (2) Also in Fixture/Appliances categories, sellers don't know how to complete if they do not have any of the items in the list. Would be good to also include NA category to check if they do not exist in the property.	Various Suggestions	Polly Leadbetter	Broker

46	Part C	In reviewing the revised disclosure document, I have the following comments, mostly from the perspective of condo ownership. These 2 items require a 3rd party's help for a homeowner to access the areas. (1) Item B3/B4 - I think it can be relevant to identify the location of the heating/cooling unit. Is it on the ground or on a rooftop? For many high rise condos, the replacement of a HVAC unit can involve narrow ladders/staircases, cranes, etc. So any dependency regarding maintaining (how do they access? does it require HOA keys?) or replacing it could be mentioned here since it is an owner's responsibility. (2) Item C1 - For City/County water, there could still be shared water supply. For example, the Cameron Village condos, built in the 50's, have one water supply line for multiple buildings. An individual unit does not have a water shut off valve. While that could be uncovered during inspection, I think it should be on the disclosure. While water would be checked as included in the HOA fees in this example, I don't think that is explicit in explaining the infrastructure.	Various Suggestions	Hilary Stokes Reaves	Broker
47	Part C	Can the following be added under this section: C. PLUMBING / WATER SUPPLY / SEWER / SEPTIC "Date septic tank was last pumped"	Various Suggestions	Craig Baxter	Broker
48	Part C	As a REALTOR overall I'm OK with the updates to this disclosure. I passed the document to my agents and have the following comments: (1) Under Sec "C" - can you add a question in regards to location of the Water Heater. Potential options: Tankless or Tank. , then location: Garage, Crawl Space, Exterior, Attic, Interior Closet, basement (2) Under Sec "B" Can you ask "how many HVAC units" are at the property (3) Under C3 - considering binging back "Unknown" for water pipe materials (4) Under C7 - On the chart if you don't have septic there isn't a N/A option, (5) "F" or "G" Sections: Any property damage insurance claims made within the last X years. IF yes, explain. (give extra space)	Various Suggestions	John Wood	Broker
49	Part C	In reviewing the proposed draft of the RPD I would like to offer the following comments/suggestions: (1) I like the format, however in the final form would you reduce the spacing so that the final version is less than 8 pages. (2) Suggestion: add question/representation if the owner has filed an insurance claim on the property. (3) Suggestion: If the property has a septic system- when was the last time it was pumped? (4) Suggestion: Question A2- if there has been any structural additions or mechanical changes, were they permitted?	Positive	Rick Westover	Broker
50	Part D	In reviewing the new proposed disclosure, ejector service seems to be in the form in 2 areas 1) as a single question and 2) in the options grid. Is that intentional?	Various Suggestions	Penny Boyles	Broker

51	Part D	I think you have done a wonderful job with this document. I will just need to up my patience as I walk my elderly clients through this document (smile). They take a long time on the current Disclosure but on the new proposed disclosure items are much more organized and I like the flow of it better. (1) On question D1 I would like to see a follow-up question like - "Was the elevator installed post-construction?" "Was the elevator permitted?" I personally learned an elevator was installed in a client's home after they moved in and it was not permitted by a local Wake Forest elevator installer. I was preparing the listing and started digging into the elevator prior to putting the home on the market as I did not see any trace of it on the local permits for this home. So, we had to rip out walls in the shaft, get a structural engineer involved, and get electrical, mechanical etc. to inspect the elevator after the fact. I was lucky that I asked the client and went the extra mile even early in my career to get the answers I needed and get it permitted but not everyone might think of that.	Positive	Lee Ann Crowder	Broker
52	Part F	See attached Exhibit for Comments.	Various Suggestions	Troy Grimes	BIC
53	Part F	One suggestion, it may be good to have a question that asks if the seller has filed any insurance claims on the home. The flood insurance claim is there, which is a good addition, but there could be others. Thank you for your consideration.	Various Suggestions	Peggy Houser	BIC
54	Part F	In reviewing the proposed form, I have the following suggestions: (1) Section F. Environmental / Flooding - F1. Can you add a question specific to Radon Mitigation? Such as "Is there a radon mitigation system?" then 'If so, is it maintaining Radon levels below 4.0 pclu?" (2) I would also suggest considering breaking out lead based paint, since there is a separate disclosure for that. If lead paint has its own line, they could select No Representation for just that item to align with the LBP addendum instead of the typical "no" response for the RPOADS that we see. (3) Under F4 you ask if there is a flood elevation certificate. Then under F9 you ask if there is a FEMA elevation certificate for the property. Unless something has changed in the past 5 years, these are one in the same as FEMA requires the homeowner to supply an elevation certificate for flood insurance purposes - they do not supply one. If so, it is effectively a duplicate question. (4) Under Owners' Association Disclosure: 2. Can you add a clarification statement - "such as transfer fees, condo questionnaire fees, etc."	Various Suggestions	Jennifer Sapp	Broker
55	Part F	I like the changes on the new form. It's easier, visually, than the old one. I am dismayed, however, that it has doubled in length to eight pages! One big negative is the Flood section. This is confusing and cumbersome, asking questions about the differing flood insurance programs in different sections, particularly. I can tell you this will be difficult for sellers – particularly older sellers – to answer with accuracy. I hope there is a way to simplify this. Otherwise, good job! I will say that great effort must be made in education to get realtors to understand the difference in the representations. The clarification of No Representation is good, but realtors also need to understand that checking No means simply that sellers do not know of a problem. I understand that this has not changed, but too many realtors think that if sellers check no, and there IS something wrong in that category, that it's actionable disinformation. Again, good job and thank you.	Positive	Charlene Blevins	Broker

56	Part F	I just have three questions/suggestions: (1) F4: "Is the property located in a federally-designated flood hazard area?" This is a little confusing in the wording, I believe. Per the FEMA wording, Flood zones are land areas identified by the Federal Emergency Management Agency(FEMA). Each flood zone describes the land area in terms of risk of flooding for floodplain management and insurance purposes. ALL property is subject to some flood risk, it's just a question of whether the property is in a low, moderate, or high risk area. So I would think this specific answer should always be "Yes" on a RPOAD if left as written. A better distinction may be "Is the property located in a federally-designated Special Flood Hazard Area(SFHA)?" SFHAs are at high risk for flooding and under federal law the purchase of flood insurance is mandatory in order to obtain any loan secured from a federally regulated financial institution or guaranteed by an agency of the US Government. (2) F6: is a repeat of a question already in F5. Remove that sentence from F5? (3) G1: Would it be possible to move "leases or rental agreements" to the front of the list? I fear that owners will read ..."lawsuits, foreclosures..." and just check "No" automatically because they think all the other items will be of that same vein and not even read about current leases in place. I really like this new form! Thanks for everyone's hard work on it	Positive	Amy DeMars	Broker
57 - 166	Part F	I'm writing to you today because I continue to be very concerned about the insufficient amount of information related to flooding that property sellers must disclose when selling their home. Currently, North Carolina has one of the weakest flood disclosure policies in the country. As a North Carolina resident, I'm glad that the Commission voted in February to require property sellers to disclose what they know about flood damages to homebuyers. Now, the Commission must stand with homebuyers and officially adopt the proposed flood disclosure questions on the mandatory disclosure form. The additional questions would require property sellers to disclose past damages, information about the cost of flood insurance coverage, and information about flood risks. Property sellers do not currently have to disclose any of this information. Without that information, the home-buying process is plain unfair. By providing this information to both buyers and sellers, buyers can make better-informed decisions about the home they choose to purchase and prevents surprises and unexpected financial burdens associated with flood damage. In this way, buyers can plan around these events by deciding whether to purchase flood insurance and other investments to address the risk of flooding. Without that information, thousands of homebuyers in North Carolina may find themselves trapped in a home that floods repeatedly… all because the lack of transparency in real estate disclosures. This past February, the North Carolina Real Estate Commission began the process of expanding flood disclosures in real estate transactions. I'm urging the Commission to take the final step and approve the new questions about flood risk and flood damages in the mandatory disclosure form. With hurricane season now underway, it's vital that you act quickly to strengthen 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!	Positive	109 Identical Emails Received	N/A

167	Part F	EXHIBIT A - LETTER	Positive	Southern Environmental Law Center	Organization
168	Part F	EXHIBIT B - LETTER	Positive	Coastal Resources Commission	Organization
169	Part F	EXHIBIT C - LETTER	Positive	Conservation Network (493 Supporters)	Organization
170	Part F	EXHIBIT D - LETTER	Positive	Dept of Public Safety	Organization
171	Part F	EXHIBIT E - LETTER	Negative	NC Realtors	Organization
172	Part G	Is there any want to add if the property has wetlands on it? This is another huge issue along the coastal half of the state. Thanks for all you do! This new form is fabulous!	Positive	Desiree Taron	Broker
173	Owners	Please consider requiring the following the following information be provided: (1) Financial statement for Assiciation including P&L and Balance Sheet (preferably audited), statement of any dues and or assessments in arrears, statement of amounts currently held in reserve and schedule of items for maintenance included. (2) A list of HOA Board Members, including contact information and any Board position held.	Various Suggestions	Steve Marsh	Broker
174	Owners	I love the new form. My only comment is that under HOA there is a question if the HOA is covering the exterior of the building that is being purchased. I have found that HOA's covered different things on the exterior. A client of mine lost $7000 due diligence because the disclosure said the exterior was covered. The HOA manager that was stated on the disclosure said the roof was covered. In the due diligence time my clients found out the roof was not covered. The agent has gone on to represent other units in this complex and still stated the exterior is covered. It would be good to have a sub question asking What part of the exterior is not covered. Sometimes it is the decks or windows. It is a complex question but I think it still needs more detail in the disclosure. Townhomes are different in handling exterior maintenance than condos but so many agents don't even know what is covered.	Positive	M.E. Gray	Broker

175	Owners	I would like to see something in reference to a HOA latest minutes /proposed budget /financial statement added to the disclosure statement , due to the fact that agents cannot get this information from the HOA , only the homeowners , and usually if the Listing agents have not gotten it up front and you make an offer , then you get this during dd , and there is some material or pertinent information on their that the seller did not put on the disclosure statement but it was significant enough that it should have been disclosed in order for a buyer to make decision on whether to offer or not offer on the home . Because at this stage , the buyer has lost their dd fee , but had they had that pertinent information prior to making the offer , then perhaps they may have not made an offer on the home . We all rely on homeowners to disclose but that is not always the case . In this particular situation , only the home owners can get and provide that information to the Listing and Buyers agents . I feel strongly that our new disclosure statement should address this because when you are making an informed decision to purchase a home , I think that if in fact , their are important things discussed at the meeting that could propose future assessments and such , the buyer should know this prior to making their offer . I would like to see this addressed on the new disclosure statement in a way that the seller must provide these documents at the time of listing their home so that it is uploaded in the mls for the buyer to review prior to putting up a substantial amount of dd fee , only to lost that money when they receive the documents after the fact ! Sellers do not always disclose what important things were discussed in the meeting nor any proposed future assessments and I think that this should be known to a buyer upfront prior to their making their offer on a home.	Various Suggestions	Cathy Lynch	Broker
176	Owners	The subject Statement needs additional Owners' Association Disclosure information. The following information without limitation is needed: (1) All Lawsuits for which the association is a plaintiff; (2) Whether the association is developer or homeowner controlled; (3) Financial information for the past three years, including audits, reviews, and/or compilations; annual budgets; year-end and year-end to date Balance Sheets, Income Statements, and Cash Flow Statements; and (4) Percent Funded for reserves per National Reserve Study Standards (NRSS).	Various Suggestions	Al Bennett	N/A
177	Owners	See attached Exhibit for Comments.	Various Suggestions	Al Bennett	N/A
178	Owners	I REALLY like most of it. Can you PLEASE take another look at question #3 on Page 8. It has caused SO MUCH confusion with my agents and colleagues. Since the questions before it detail the regular monthly dues, shouldn't the question read something like "Except for the regular dues"… It would seem that as that question is, that every home subject to regular dues should answer "Yes" even if the dues are paid for the upcoming year, making it confusing for both the seller and prospective buyer, Thanks for hearing me!	Positive	Rob Wachter	Broker
179	Owners	On page 8, Time 6, Some Townhome communities are not doing the roof, but are doing the siding.	Various Suggestions	Karen Wicker	Broker

180	Misc	Please add 1099 as a buyer attorney task to do in your next round of revisions on the form contract. IRS Regs say it's the closing attorney's job, to do 1099, but about half of them still want to pretend like it is seller's job to give them the questionnaire to help them not have to do the reporting, but many sellers don't want to do that, and its clearly closing attorney's job to do reporting. The lack of mention of this in the contract leaves us having to have petty debates about whose job it is or just do the other person's job. I do buyer and seller side deals but it seems other attorneys try to push that off on me no matter which side I'm on, and its petty and trivial to do, and could be ended immediately if you all said that it is a buyer duty and not a seller duty to prepare and file 1099.	Various Suggestions	Buck Crosby	Attorney
181	Misc	Im looking forward to the Changes from The North Carolina Real Estate Commission this 2023! Please note I have reviewed the NC Property Disclosure and here is my (1) ONE Suggestion: Can you believe it? Now that it's 8 pages (EIGHT)! us My suggestion is to have "THIS FORM" the NC Property and Owners Association form be the responsibility, governing initiator internally party, facilitator, acquisition, firm believer of doing the right thing to protect homeownership providing a gateway to the success of all American Citizens. Including all necessary information budgets, attorneys, pets, animals, pools, mailboxes, old resources, new resources, cohabitation laws and rules not limited to only humans. The Governing HOA with their required Signatures, budgets, maps etc. along with the most updated CCR'S with old and new information to be made available upon request on the new page? The HOA should not be in a position of authority governing over the homeowner. Only the limited and required duties to provide, care for and protect. As a Previous Victim of our last recession the law did not allow Brokers to place liens on property for compensation yet an HOA still has this legal aspect in place. Full Disclosure Let's get this fixed for Brokers now before the economy tanks again. North Carolina can do a much Better job Protecting The Real Estate Industry and our providers via the NC Real Estate Commission. We are the higher standard in the Country! Always will be! Our Industry is THE BACK BONE FOR THE ENTIRE ECONOMY! Protecting Humanity and the well being of others in NC is and should always be top priority. As a Licensed Professional enough is enough! Let's give it a try! The Broker has enough responsibility as is. How do we lighten the load COMMISSIONERS YET MAINTAIN INTEGRITY in the Best state of The United States for we have conflicting laws within the state that need to be updated annd corrected appropriately during this process. Education is a priority.	Positive	Kathie Day	BIC
182	Misc	See attached Exhibit for Comments.	Positive	Becky Harper	Broker

183	Misc	I really like the updated property disclosure. I think buyer and sellers will like the updates too. I do have a couple questions/comments that I would like to share: For all of the tables added I think adding an NA option would be helpful. If a house doesn't have a fireplace or deck there is really no good options for them to select currently. A8: I think storm windows & screens should be removed or have its own section. C2: I would clarify a well water quality test instead of well test. D1: This question seems out of place. I think added the NA answer option to the grid would remove the need for the question. The sections starting with "If you answered "yes" to any of the questions listed above…" seems to get lost under section G2. I think a bolder heading would be helpful and tabbing to the left. Internet: High speed internet is a must have on almost all buyers lists. I think a disclosure of what interest companies and speeds are available would be a valuable add to the disclosure. Thank you for you work on this!	Positive	Holly Hendren	Broker
184	Misc	Just a few ideas/questions on the new form. (1) B3 & B4 Many properties are now using Mini-split systems, Maybe that could also be a choice? They are a type of heat pump, but they are different in design. (2) C2 If you are asking about water testing on a private well, I think it would be good to ask about testing on a shared well also. When it is not under state mandate (not shared by more than 4) to have a scheduled water test, there is a chance it has never been tested after it was installed. (3) C3 Could PEX be a choice for type of piping? Most homes are now using it and just calling it plastic is not accurate. The homeowner might not know but I would hope most agents would recognize the difference.(4) D1 Is this asking about elevators in condo buildings or multi-family units? If you are asking this question, should it be followed up with something like, last time it was inspected? What if it is in a private home? Are inspections required? In the instructions, is states you should explain the answer if you say Yes. What would you say? Yes, there is an elevator. (5) F1 I think you should ask a follow up question like, has a radon mitigation system been installed in the home. Just thought I would give you some feedback before it is approved.	Various Suggestions	Bill Goodman	BIC

185	Misc	Thank you for requesting input on the new property disclosure. I think it's a positive step. Most of my feedback has to do with how I and most likely buyers and sellers will interpret the new form and if there is clarity. (1) The box under A8. I think should have an additional box which is NA for all the boxes like this. In my mind NR could mean we have something, but we may not know the condition of it where NA means we don't have it. I think this is especially important with buyers purchasing homes without physically seeing the house. (2) The box under A8. Where you listed Windows and have storm windows and screens. I would either remove screens or give this its own line. I think this is too detailed for a seller to take on the condition of each screen. Thinking of my own house screens some have been bent but most are stacked in the attic. (3) C2. Where is says have you had the well tested. I think this should read have you had the well water tested and if so, what was the date the well water was tested. Under this or grouped under C2 How many gallons per minute? (4) The box under C7 to have NA added. (5) Is the dwelling equipped with an elevator system? Need clarification if this is the HOA's responsibility.(6) Box under D2. The NA box needs to be added. Also, to that box what type of internet service and the speed available. It might be helpful to know what the seller is currently using as well as what is available. I might use one type and my neighbor may use another service. (7) On page 6 the language switched from dwelling to property, it's not clear to my why this is???? (8) Is G1 talking about the HOA or the property in general? Is there a way to group G! and G2 together? (9) On page 8 NA needs to be added to the box. These are my comments. I am looking forward to the new and improved disclosure.	Positive	Jeanne Hendren	Broker
186	Misc	Hi, I recommend that the exact same verbiage on the new OTP should be included on the RPOADS, as it relates to permits, zoning, and violations. This would provide notice to the seller that they need to disclose these items or risk losing their DD fee & EMD. I think this notice should be provided in writing, in advance of them receiving an offer. Yes, we give them the sample copy of the OTP, but they don't sign the sample OTP. This notice/warning should also be written on the RPOADS so that they are reading it at the same time they are filling out this form & signing the document with the same verbiage (and hopely with more explanation.) -Does the Proposed RPOADS explain and ask about impervious surface violations? -Can the RPOADS explain and provide examples of a "material" violation of law, ordinance, permit, or gov. regulations? -Can the RPOADS explain and provide examples of "material" violations of building, stormwater, impervious surface, environmental protection and zoning? Since there is the risk of a seller losing the DD and EMD, this should be spelled out very clearly on the RPOADS.	Various Suggestions	Susie Skog	Broker
187	Misc	See attached Exhibit for Comments.	Various Suggestions	Martin & Gifford Law Office	Attorneys
188	Misc	Curious - why not make the MOG part of the new RPD rather than have separate documents? Section could say "complete if applicable".	Various Suggestions	Lawrence Mahool	Broker
189	Misc	See attached Exhibit for Comments.	Various Suggestions	Joanna Dougan	BIC

190	Misc	EXHIBIT F - LETTER	Various Suggestions	Melanie Coyne	Broker
191	Misc	I see that the deadline was 8/1/2023 for comments but I still wish my comments to be considered as you revise this form. (1) Please add a section for the sellers to state who are the utility providers to the property. This is not always in MLS as it is not universally required. This would be beneficial to all agents and buyers. (2) Please add a section for school districts. Same reasoning as above. (3) Add the Mineral, Oil and Gas Rights to this form. Both forms are required for residential property. The MOG is not required for land. The same exemptions for the NCRPOADS and MOG apply such as estates and foreclosures. (4) Please format this form akin to our other forms such as the Offer to Purchase and the Listing Agreement with the same exact layout of the initials at the bottom (no date) and the signatures on the final page. It is so common that sellers errantly initial in the wrong space because the format is different than all our other forms. (5) Section F. Environmental/Flooding F4 and F7 are redundant in asking "Is there current flood insurance on the property?" Amend to ask the question once. Also F4 and F9 are redundant in asking "Is there a FEMA elevation certificate for the property?" Amend to ask the question once.	Various Suggestions	Monica Hawke	Broker
192	General	EXHIBIT G LETTER	Negative	Josh Dilmaghani	Broker

Comment #7 – Paula Marzella:

The new format is an improvement with the segmented areas similar to a home inspection. I would like to suggest more uniformity. Anytime you can make it so there is check boxes and less to read like a doctors check-in form, the more information you will get. EXAMPLE: Everywhere there is check boxes such as A3, all the boxes should be in a list format in alphabetic order. Every time there is an OTHER the line should be enough line to explain. I understand listing items down like this take up a lot of space, maybe another option is to take some ideas from the MLS input sheet and how they define those is quadrants. See snapshot below of HOA information. This is more user friendly than the current layout. The boxes that are to be checked need to be twice the size and large enough for ease of use. At the bottom of each section there should be at least 3 blank lines for line # and explanation for any information seller wants to give. I have a lot of issues with The Owners Association Disclosure. I believe this form should be separated from the property disclosure and on its own as a separate form. It should be the responsibility of the listing agent to fill out this portion, not the seller. Also, this will shorten the RPOADS at least 2 pages. Agents have been given a "Lazy Pass" on this because as we are told;"AGENTS CAN'T WRITE ON THE FORM AT ALL AND THE SELLER MUST FILL IT IN." HOA contact information, items covered, and costs, are matters of fact and not personal opinion of the property. There is no reason a list agent cannot perform this duty. This portion is knowledge about the community the agent should know. I consistently see so many as a dozen RPOADS forms for a single community and all have different HOA information on what is covered, costs, fees, contact information, etc. Most homeowners have no idea what the information is. The agents don't do the research and the new owners never fully understand what is going on. One small example is; I see times where a homeowner checks a box for insurance and it is not explained that the coverage is for common HOA areas and not their specific property. It is only a matter of time before a law suite incurs and a buyer is forcing the seller to pay personal home insurance. There is constant negligence in information given in the basic form of dereliction of duty by the list agent and this is not representative of how agents are supposed to HELP sellers and buyers through the home sale process.

Comment #11 – Chris Yeager:

See below my input on the proposed RPOADS. From a buyer perspective it's important to understand the detail of what might be disclosed so that the buyer can make an informed decision. Having said this, I would recommend the following modifications to the document. Question: A2 – If the answer is "Yes" there should be an explanation of the change, so the buyer has detail on the changes. This may impact their decision to have a home inspection or have a separate inspection of the specific changes to the dwelling. A5 – Same as A2. There should be an explanation of where the leak is or has been to ensure the buyer can make an informed decision. A6 – Same as above A8 – Same as above. The seller should explain what the issue was or is with any of the selections in this section. B1 – If the answer is yes, they should explain the issues. B2 – Same as B1 B5 – If there is a tank there should be a question… "are you aware of any leaking of the tank"? if "yes" explain. C2 – Should have a "yes & no" option. If the answer is "no" the seller is going to mark NR which is not helpful to the buyer C7 – Same as above. There needs to be an explanation if any answer is "Yes". D2 – Same as above. E1 – Same as above. I think you see the pattern here. Almost any answer that is a yes should have an explanation. Again. The value of this document is for the buyer. If there aren't specifics in the answer and the buyer can't do anything with the information, then why ask the question. Think of the buyer and their broker. If an answer is yes with no explanation, then the buyer and their broker must now figure out what the issue is. For example,

look at question A2 – Have there been any structural additions or other structural or mechanical changes to the dwelling(s)? If the answer is yes, then as a buyer and their broker here are some of the additional questions. [What are the additions or structural or mechanical changes? Who did them? Are they under a warranty? the warranty transferable to the new buyer? Were they permitted?] If there was an explanation in the RPOADS then the listing broker should be asking these questions to the seller and be ready to disclose this information because it's something a reasonable broker should know. Not doing this opens the door for disclosure issues. One final comment. If the form isn't going to help protect the consumer and help ensure that the broker is meeting their fiduciary responsibility, thus minimizing the disciplinary actions related to disclosure of material facts, then why use the form? I am happy to discuss.

Comment #16 – Lisa Aguilar:

I hope this letter finds you well. I am writing to bring to your attention a matter of significant concern regarding the property condition disclosure requirements in North Carolina for home sales. As a professional in the real estate industry, I have witnessed firsthand the limitations and shortcomings of the current system, and I strongly believe that changes are needed to enhance transparency, protect buyers' interests, and promote fair practices in property transactions. Overview of the Problem: The existing property condition disclosure in North Carolina, while well-intentioned, is largely ineffective in providing accurate and comprehensive information about the condition of a property to prospective buyers. The current system places an undue burden on buyers to uncover potential issues through their own due diligence, often leading to unforeseen expenses, legal disputes, and overall dissatisfaction with the purchasing process. Proposal for Change: To address these concerns, I propose a vital change to the property condition disclosure system in North Carolina. Specifically, I recommend tying the Due Diligence Fee to the property condition disclosure provided by sellers. Under this proposed change, if the Property Condition Disclosure states "NO REPRESENTATION," sellers should not be legally allowed to request or accept a due diligence fee for the due diligence period of the contract. Rationale for the Proposed Change: Enhanced Transparency: The proposed change will encourage sellers to provide accurate and detailed information about the condition of the property upfront. This increased transparency will enable buyers to make informed decisions and mitigate the risk of unexpected expenses or repairs after the purchase. Buyer Protection: By linking the Due Diligence Fee to the property condition disclosure, buyers will have more confidence in the accuracy of the information provided. This will provide a stronger legal framework for buyers to seek remedies if the condition of the property is misrepresented or undisclosed. Fairness and Equity: The proposed change promotes fairness and equity in the home buying process. It ensures that sellers are incentivized to provide reliable information about the property, leveling the playing field for both buyers and sellers. This promotes a healthier real estate market by fostering trust and reducing the potential for disputes. Streamlined Due Diligence Process: Clear guidelines regarding the Due Diligence Fee and property condition disclosure will help streamline the due diligence process. Buyers can better allocate their time, resources, and energy towards evaluating properties that have provided comprehensive information about their condition, leading to more efficient transactions. Implementation and Implications: Implementing this change will require updating the relevant statutes, regulations, and disclosure forms in North Carolina. It is important to consider the legal implications, consult with industry professionals, and engage in open dialogue to ensure the change is effectively integrated into the existing framework. Conclusion: In conclusion, the current property condition disclosure system in North Carolina falls short in providing

reliable and comprehensive information to buyers. By tying the Due Diligence Fee to the property condition disclosure, we can significantly improve transparency, protect buyers' interests, and promote fair practices in property transactions. I urge you to consider the proposed change and take necessary steps to address the shortcomings of the existing system. Thank you for your time and attention to this matter. I would be more than willing to discuss this proposal further and provide any additional information or assistance required to facilitate the necessary changes. Together, we can work towards creating a more equitable and efficient real estate market in North Carolina.

Comment #26 – John Lynn:

Thank you for allowing public comment on this very important part of the real property sale process. I think it's important to solicit ideas from the people doing the work on a full-time basis. The following are my observations and suggestions: 1- On page 1 under the Representations subsection and under the Instructions, subsection C, there needs to be something included to define situations for a seller who has owned a property less than a year or they use a residential property as rental property. They may not be aware of any problems with the residence because they don't live there or they've only been there a few months and any problem that needs reporting have not presented itself yet. This is the wording in the residential section: "If an owner selects No Representation, this could mean that the owner has knowledge of an issue and is choosing not to disclose it." And this wording from the Instructions that follow: "If you check “No Representation (NR),” you are choosing not to disclose the conditions or characteristics of the property, even if you have actual knowledge of them or should have known of them." The wording in both sections can be perceived as threatening to a seller who uses the property as a rental or they haven't lived there long enough to see any problems. There is nothing there letting a seller know that it is okay to check "NR" if they fall under those particular circumstances. They already have to disclose their residential status of the home they're selling. 2- The same issue exists in the Message To Buyer and Instructions sections on page 2. There needs to be an addition to both sections letting the potential buyer know that a seller who checks "NR" on the disclosure form may not have lived there long enough to find any problems or the property is a rental and the seller may not have any knowledge of any problems with the home. Encourage the buyer to have a home inspection done, but don't vilify the owner because they check "NR". The current wording sounds like the seller is already hiding something from them and they're trying to pull one over on the potential buyer. It's the broker's job to try and discover whatever they can and disclose it to the buyer's agent to pass along. It's also the broker's job to advise the potential buyer to have a home inspection done on the home and let a professional go through the home and discover any problems that may exist. In my opinion, the current wording may possibly scare a seller into checking boxes or answering questions in an inaccurate manner simply because they're worried about checking something wrong and giving the buyer wrong information that could affect the sale of the home. Even though the seller's living status for the residence has to be disclosed on page 2 of the instructions page, I still think the above wording needs to be added to the instructions. Otherwise, this could cause unnecessary worry for an honest seller. 3- Page 4, Section D, item D1 regarding the existence of an elevator system: I would suggest adding another line below that question that states if they answered yes to having an elevator system, when was it serviced last? There is almost always some type of documentation for an elevator system, either with the seller or the elevator company. 4- Page 7, number 1 under the Owners' Association Disclosure needs another sentence directing any seller who checks either the "No" or the "N/A" boxes to skip the questions that follow and go to the signature section. This will eliminate any concern or confusion the

seller may have regarding the rest of that disclosure section. If there's no owner's association, the other questions do not apply, so forward them to the next applicable section. I appreciate this opportunity to submit suggestions. My hope is that I have made some useful suggestions that may make the disclosure process easier and more defined for everyone involved in the sale while eliminating the causes of any possible confusion.

Comment #52 – Troy Grimes:

Thank you for the opportunity to comment regarding the upcoming proposed changes to the RPOADS form. I appreciate the work that the Commission, along with NCAR and others, do to provide (and improve) standardized forms that home buyers, sellers, and licensed brokers utilize to facilitate the home selling process. The proposed new form (as presented) may initially be perceived as overwhelming, due to doubling in length from 4 to 8 pages, vs. existing version of the form. The current 4-page version is already intimidating to many home buyers and sellers. And I still encounter some listing agents who struggle with instruction and facilitation of the current form with their own clients. A concern is that an even longer 8-page document could lead to even more home sellers marking "no representation" for all items on the questionnaire. As an actively engaged selling agent, I've noticed a recent uptick in the number of RPOADS forms attached to listings marked, "no representation," in their entirety. So, offering some comments and suggestions regarding user-friendliness and conciseness of new version of form: (1) Perhaps pages 1-2 in the newly proposed form relating to "message to owner, instructions, message to buyer, message to broker" could be reduced by either condensing the verbiage and/or the size of the font? This information takes up the bulk of the first 2 pages of the newly proposed form. Conversely, there is little vertical room to write (or type) the property address/description between the lines provided on page 2, directly below the "message to broker" section. (2) The larger font, headings, and typeset on pages 3-8 do appear to be easier for the seller to see and navigate, so of course this adds to the # of pages of newly proposed form.(3) Regarding question E2 – Most sellers and buyers have no idea about "local zoning ordinances." (4) Regarding section F. ENVIRONMENTAL / FLOODING: What prospective buyers ultimately want to know is whether or not the subject home is in a high risk flood area; and IF the current homeowner has flood insurance, and IF current owner's lender (or buyer's new lender) REQUIRES flood insurance on the property. (5) Question F4 – There are references to "federally-designated flood hazard area" along with "flood elevation certificate." Most home sellers know if they are required by lender to carry flood insurance, yet have no clue about designated flood zones or certificates. Perhaps this section of question is un-necessary. (6) Question F9 – "Is there a FEMA elevation certificate for the property?" Same as above comments, also appears to be redundant. Thank you for your time and review of my comments. I know there will be those who don't provide feedback, then complain about the form later. I applaud the Commission on their work to revise and improve an aging form.

Comment #177 – Al Bennett:

Information related to owners' associations in the current and proposed amended North Carolina Real Estate Commission's "State of North Carolina Residential Property and Owners' Association Disclosure Statement" is insufficient for a prospective buyer to make a prudent decision. For example, the Disclosure Statement omits any owners' association financial health related information whatsoever. Also, the Statement asks only for information about lawsuits against the association instead of asking for information about all pending lawsuits for which the association is a party, plaintiff or defendant.

Information about association lawsuits for which the association is a plaintiff, particularly those involving construction defect litigation, is as important as information about association lawsuits for which the association is a defendant. The Disclosure Statement appears to be designed with the underlying consideration of increasing the likelihood of a sale. A buyer needs to be aware of the information the Commission's Statement omits.In addition to the information related to owners' associations in the current and proposed amended North Carolina Real Estate Commission's "State of North Carolina Residential Property and Owners' Association Disclosure Statement," require, without limitation, the following information be disclosed to prospective buyers by sellers, brokers, agents, and/or HOAs without charge for information provided in electronic form: A statement with case names, case numbers, and nature of all pending lawsuits for which the association is a party, plaintiff or defendant; A statement of the status and nature of any pending judgements for which the association is a party; Whether the association is developer or homeowner controlled; Number of Units in the Community; A statement of the maximum number of Units that may be created in the Community; Number of Units owned by institutional and non-citizen investors; Number of Units leased or rented; Number of short-term rentals; A statement describing any rental prohibitions; Financial information for the past three years, including audits, reviews, and/or compilations; annual budgets; year-end and year-end to date Balance Sheets, Income Statements, and Cash Flow Statements; A budget or financial documents line-item dictionary; Percent Funded for reserves per National Reserve Study Standards (NRSS); Total amount of money held in reserves; A statement of any capital expenditures anticipated by the association within the current or succeeding two fiscal years; Number of Units with liens; Number of foreclosures for the current and each of the past two years; A Delinquency Report that does not specifically identify owners that are delinquent; Statement as to whether the Association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired; Summaries of insurance policies; Common regular assessment amounts for the current and past two years; Special assessment amounts for the current and past two years; Identification of any initial or special fee due from a purchaser or seller at closing; Description of voting rights and requirements; A statement that any improvement or alteration made to the lot, or uses made of the lot or common area assigned to such lot, is or is not in violation of the declaration, bylaws, rules and regulations, architectural guidelines, and articles of incorporation of the association; A copy of the notice given to the lot owner by the association of any current or pending rule or architectural violation; and Rules and Regulations.

Comment #182 – Becky Harper:

Thanks so much for your efforts to update the Seller Disclosure! In general I am thrilled with the updates and very happy to see new formatting that is easier to read and easier for sellers to complete. The "Message to Owners" and "Message to Buyers" are terrific. I have a number of comments and suggestions and I hope your team will consider my ideas: (1) A8: Please remove "screens" from the question about windows. In our market there is no expectation that every window has a functional screen. The majority of homeowners do not open windows very often, and the screens they may own are often piled in the garage or attic. Buyers don't care very much about screens. By including screens in the question about windows, it makes disclosure very difficult for sellers! Almost every seller would have to say "yes" because every collection of screens has a tear or dent or other defect. And sellers might have to conduct an exhaustive inventory of their screens (which they probably have never used!). It is very important that sellers to be forthcoming about the condition of their windows.....but not their

screens. Almost all sellers would use NR which helps no one. It is true that in my market sellers have been ignoring the current question about screens and answering "no" in response to the window question ever since the form came out! And Realtors are certainly not disclosing defects about screens! But these new tables are great, and demand more detail from seller. The new tables with specific line items will increase the pressure on sellers to be thorough, and that is a good thing. I suggest putting screens and storm windows on a separate line. (2) A8, D2, 6: These new tables are great....but they need a "NA" option. What is the correct choice when a seller does not have a fireplace, a deck, a central vac, an elevator etc? NR has a very different meaning from NA. The instructions say "all questions must be answered." But what is the correct answer when a seller does not have the item listed? If the seller leaves the line blank, they are not following instructions (and might be encouraged to leave other items blank also.) If a seller uses NR, it creates confusion about whether they are refusing to disclose or they really mean NA. An NA option would make this entire Disclosure so much more helpful! (3) B3 & 4: So many homes have more than one heating/cooling unit. There is often a gas furnace for part of the house and a heat pump elsewhere. I think this section could use more clarity and options. (4) C2: Does "well test" mean the pump or the water quality? Those are two different things. I believe the question should specifically ask about water tests. The seller should be asked to attach their last water test results. (5) C7: Water quality, quantity or pressure are three very different items! I would give "quality" a separate line, and put quantity & pressure together. Sellers who have wells or use a community water system really need to answer the "quality" question. If fact, it may prod sellers to get a current water test in advance of listing their home, which would be a good thing for all parties. I believe this is commonly required in other states. (6) F4: I note in this section the language changes from "dwelling" to "property." Why? Flood issues need to distinguish between the dwelling and the property.....especially when both are the same listed parcel! What matters is whether the dwelling is impacted by the risk of flooding. Many, many times a portion of the "property" is indeed in the flood plain, but the "dwelling" is not. Sellers must have a way to disclose these facts accurately. (7) G2: Hope this is just a formatting error....but the bold header "If you answered yes....." should not be indented. And this entire block where explanations can be provided needs to be more visually distinct from the G-section. It is for the entire document, not just the G-section. That is NOT clear in the current formatting. It probably needs its own header.(8) Internet: We desperately need sellers to disclose what kind of internet service their properties have and/or what is available. This critical utility service belongs in section B or C. The reference to "TV" is definitely archaic now! There should be a question about how the seller currently receives internet service, and who is the provider. Maybe even a question about speed? (In some places in NC, the answer may well be "no internet" or "dial-up" service.) Sellers are now advertising "google fiber." Does this mean in the street or hooked up to the house? (This is equivalent to a seller saying they have "city water" when the pipes are in the street but the actual house is still uses a well!) I think access to internet impacts far more buyers & seller than elevators! Internet is as important as electricity in today's world. It is absolutely a factor in the value of a property. The Disclosure form MUST address this issue! Thanks for considering my comments.

Comment #187 – Martin & Gifford LLC:

The following are the comments of Martin & Gifford, PLLC to the proposed changes to the RPOADS: (1) At the top of page 1, we suggest removing the phrase “WHEN IN DOUBT – DISCLOSE!” In our view, this statement conflicts with North Carolina law that permits a seller to check all of the no representation boxes. The seller’s disclosure obligations are limited to the duty to disclose latent defects, i.e., those

things that the seller knows about but that the buyer would not be expected to discover in the exercise of ordinary diligence. There is no obligation for the seller to make that disclosure on the RPOADS. (2) In our view, the last sentence of paragraph d at the bottom of page 1 overstates the disclosure obligation of licensees. While in some cases it may be advisable for a broker to disclose prior structural issues or prior fire damage even if those issues/damage have been fully and properly repaired, there is no obligation to do so. The licensee's duty is to disclose current damage and issues, not the property's history. We suggest the following alternative language: "Note that if a broker cannot confirm whether recent repairs of certain issues (such as structural issues and fire damage) have been properly completed, the broker may have a duty to disclose those issues." (3) In the instructions section on page 2, the last sentence of paragraph a is not an accurate statement of the law. As noted above, while the seller has an absolute right to check every no representation box, the seller still has a duty to disclose latent defects if the seller is aware of them. (4) In the message to broker section on page 2, at the end of the second sentence, it is unclear what the term "consistent" means. For example, if the seller checks a no representation box about a particular question, and the broker knows about a problem with what that question refers to, and the broker has a duty to disclose that problem, is the seller's no representation disclosure truly consistent with the broker's knowledge and representations? While the seller's disclosures in the RPOADS must be consistent with the seller's actual knowledge (unless the no representation boxes are checked), those disclosures are not required to be consistent with the broker's knowledge. (5) Paragraphs C7 and D2 ask if there is a problem with various things. But many properties don't have all of those things. For example, in paragraph C7, a property is likely to have a sewer system or a septic system but not both. We suggest adding the words "If applicable" to the beginning of paragraphs C7 and D2. (6) Paragraph G1 is not new. However, it has always included "leases or rental agreements" in its list. The fact is that most leases and rental agreements do not affect title to the property. We suggest taking those two items out of paragraph G1 and adding a new question: Is the property subject to any leases or rental agreements? (7) We have suggested changes to paragraph G2 and paragraph 1 of the Owners' Association Disclosure but these changes would need to be made at the same time. We suggest removing the words "separate from an owners' association" from paragraph G2 and revising the beginning of paragraph 1 to read: "Is the property subject to any obligations to pay regular assessments…" We think that if sellers (and their brokers) are aware of any governing documents, i.e., declarations, bylaws and rules and regulations, they are not sophisticated enough to know whether those regulations are "separate from an owners' association." Taking those words out will allow for a disclosure of all governing documents. Thank you for considering these comments and suggestions.

Comment #189 – Joanna Dougan:

I'm a licensed Broker and BIC, practicing full time for 11 years. I appreciate the opportunity to comment. My notes are below, based on observations in how this form works in the field and some confusion I've seen repeatedly, etc. Possible Additions: (1) "A home that has sat vacant for any length of time, could sustain a lot of damage to pipes, HVAC, etc. It may be helpful to add a statement where the owner discloses the last day someone occupied the property." "Would like to see a simple question asking if trash service is an extra expense and if so, how much/frequency. This happens often in areas where the municipality doesn't provide the service in their taxes, nor the HOA dues. It's a surprise expense and it would be nice to know up front for a buyer." (2) Page 2: MESSAGE TO BUYER, First paragraph last sentence: Buyers are strongly encouraged to get their own inspections from a licensed home inspector

and/ or other professional(s). (3) Page 3, A. Add an S to FLOORS in heading. (4) Page 3, A8: Add a (Check all that apply.) as you've done on page 8, question 6. (5) Page 4, C3: Pex is so common now, perhaps that should be added as an option. (6) Page 4, C5: Add date the septic system was last pumped. This comes up often and the cost to pump is high; $600-$800 in Union County. (7) Page 4, C7: Add a (Check all that apply.) as you've done on page 8, question 6. (8) Page 5, D2: Add a (Check all that apply.) as you've done on page 8, question 6. Also Elevator systems or components (needs an s). (9) Page 6, F6:Redundant, seems like this should be under F5, If yes, provide the amount received. (10) Page 6, F9: Seems like this was already asked in F4, perhaps add to F4 FEMA. (11) Page 8, OWNERS' ASSOCIATION DUES DISCLOSURE#3, this is answered incorrectly all of the time. It asks if there are any dues, fees, or special assessments (needs an s). If you put a dues amount for #1, than the answer should technically be yes, based on how the question is asked (most check no). However, if you're looking to learn of dues outside of what's disclosed in #1 (like an upcoming increase), than ask it here. For example, perhaps say: Are there any dues (other than what's stated in question 1), fees, or special assessments which have been duly approved as required et al…for clarity.

SOUTHERN ENVIRONMENTAL LAW CENTER

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July 31, 2023

Melissa Vuotto
Rulemaking Coordinator
NC Real Estate Commission
PO Box 17100
Raleigh, NC 27619

Comments submitted via email to: Public.Comment@ncrec.gov

RE: Comments Concerning the Proposed Form Changes for The Residential Property and Owner's Association Disclosure Statement

Dear Ms. Vuotto and Members of the North Carolina Real Estate Commission:

The Southern Environmental Law Center, on behalf of NRDC, The Justice Center, Robeson Co. Church and Community Center, NC Disaster Response and Resilience Network, and NC Field, appreciates the opportunity to submit comments to the North Carolina Real Estate Commission concerning the proposed form changes for The Residential Property and Owner's Association Disclosure Statement ("the Proposed Form"). In particular, we strongly support the inclusion of questions on the Proposed Form that would inform potential buyers of residential real estate of a property's flood history and risk.

Flooding, North Carolina's most common natural hazard, poses an increasingly significant threat to life and property as climate change strengthens storms and raises sea level. Despite widespread flooding events in recent years from hurricanes and tropical storms, homebuyers in North Carolina are not entitled to information about past flooding damage. Disclosing flood risk information during real estate transactions equips homebuyers to make informed decisions to protect themselves against future extreme weather-related costs. Moreover, robust disclosure ensures real estate markets function more efficiently and effectively due to the transparency in transactions that they provide.

As such, the Proposed Form can remedy the current lack of transparency in current North Carolina real estate transactions concerning flood history and risk and empower homebuyers to make fully informed decisions. However, we recommend the following minor revisions to the Proposed Form for accuracy of information, clarity, and simplicity. Attached to this letter are the undersigned's proposed revised questions for F4 through F9 with deletions represented by striking through the language.

Please find below the reasons for adopting the attached revised questions:

I. The Reasons for Adopting the Undersigned's Proposed Revised Questions.

Question F4: The undersigned request that this question be changed to delete the sub-questions included after the initial question. The conditional nature of the sub-questions risks crucial

information being omitted during real estate transactions. As currently written, the questions concerning the existence of a flood insurance policy on the property and an elevation certificate are predicated on whether the respondent's property is in a "federally designated flood hazard area." A large number of properties that have flood insurance and may have gotten elevation certificates lie outside of the federally designated flood hazard area.[1] Thus, a respondent that sells property outside the 100-year flood area would not be required to answer the sub-questions and the buyer of such a property would be denied that information, contrary to the goals of the disclosure.

As of May 31, 2023, there were approximately 130,000 active NFIP policies in North Carolina (this includes all the units in multi-unit buildings, e.g., if a 10-unit condominium building is covered, that counts as 10 policies). A little over three quarters of those policies are for single-family homes. Roughly half of the policies cover properties outside of the 100-year floodplain. Proposed Question F4, as currently written, would exempt over 49,000 properties from the requirement to disclose their flood insurance coverage.

NC NFIP policies active as of May 31, 2023[2]

	Policy count (all units)	**Policy count (single-family only)**
100-year Floodplain (A, V zones)	68,967	49,267
Outside 100-year Floodplain (B, C, X zones)	53,491	44,990
Unknown zone	5,711	4,155
Total	128,169	98,412
Percent in the 100-year floodplain	54%	50%

Therefore, the current conditional structure of question F4 concerning the presence of flood insurance on the property would result in significant omissions.

Question F5: For simplicity and to avoid redundancy, the undersigned recommend that this section be changed to delete the sub-questions included after the initial question.

Question F6: No proposed changes.

Question F7: The undersigned recommend that this section be changed to include the note that states "An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy."

[1] Traditionally, a federally designated flood hazard area is the area mapped by the Federal Emergency Management Agency that corresponds to the size of a 1 percent chance annual flood ("100-year flood").
[2] The information is extracted from https://www.fema.gov/openfema-data-page/fima-nfip-redacted-policies-v2, downloaded on July 5, 2023

In addition, the undersigned recommend that the requirement that a respondent provide the annual premium amount remain in the form. For single-family homes, the median annual policy cost was $817 in the 100-year floodplain and $689 outside of it. However, the range of annual policy cost can be substantial.

Cost of NC NFIP policies active as of May 31, 2023

	Policy cost (single-family only)
100-year floodplain (A, V zones)	Median: $817 Range: $107 to $12,363
Outside 100-year floodplain (B, C, X zones)	Median: $689 Range: $91 to $6,307
Unknown zone	Median: $1,122 Range: $190 to $7,891

Given this broad range, homebuyers should have the right to know the premium cost to avoid situations where they become contractually obligated to purchase a property but are unable to afford it due to insufficient knowledge concerning the potential cost of mandatory flood insurance. It would be wrong and contrary to the point of disclosure for the Commission to adopt a question that ensures that a buyer will only find out the price of flood insurance after they are contractually obligated to purchase the property, while the seller already possesses that information.

Question F8: The undersigned recommend that the word "flood" be deleted from this section as additional assistance under FEMA and other federal programs, such as the Small Business Administration, may be available for other types of property damages (e.g., to repair or replace roofs blown off or destroyed during a hurricane or windstorm, for example, or to relocate to another residence temporarily due to such damages).

Question F9: Delete the word "FEMA."

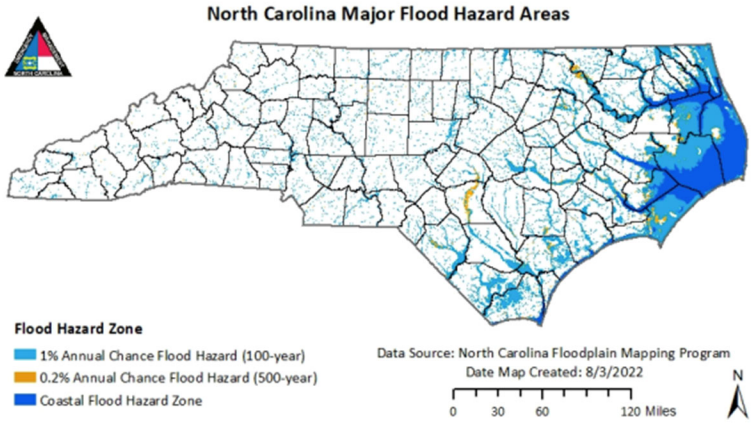
II. The Reasons for Adopting Questions Concerning Flooding.

a. Flooding is North Carolina's most common natural hazard.

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.[3] 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.[4]

[3] North Carolina Emergency Management, *Draft North Carolina Hazard Mitigation Plan 2023*, 3-14, 3-16 (Sept. 2022) *available at* https://www.ncdps.gov/media/11577/open. (Damage amount is inflated to 2017 dollars).
[4] *Id.* at 3-9.

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,[5] with a net increase of 3,344 repetitive loss properties since 2017.[6] Between 2012 and 2017, the state documented a net increase in repetitive loss properties of 1,787.[7] 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, due to the number of properties that are likely uninsured or may have coverage from private insurers, which would exclude them from the National Flood Insurance Program statistics.

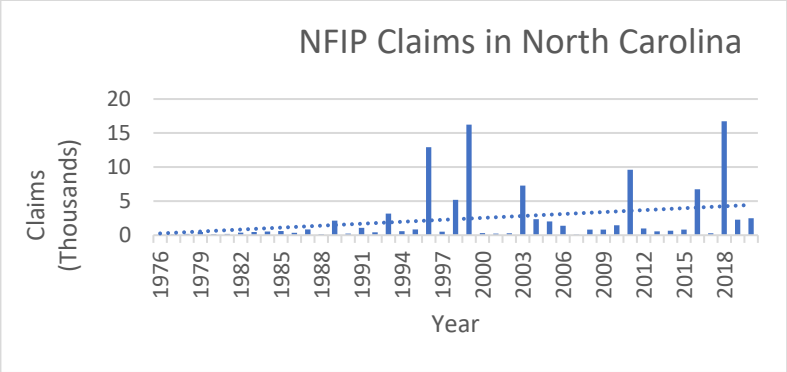


(Source: Draft North Carolina Hazard Mitigation Plan 2023, pg. 3-9)

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.[8]

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

[5] 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."
[6] North Carolina Emergency Management, *supra* note 3 at 3-230.
[7] 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
[8] North Carolina Emergency Management, *supra* note 3 at 3-9



Current and future emissions of greenhouse gases, the primary driver of climate change,[9] 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 damage across North Carolina.

North Carolina is highly susceptible to sea level rise.[10] "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."[11] Under either projected scenario, the state is likely to experience high tide flooding on a near daily basis by 2100.[12] 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.[13]

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.[14] The U.S. Environmental Protection Agency has determined North Carolina has the third highest land area that is vulnerable to sea level rise.[15]

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

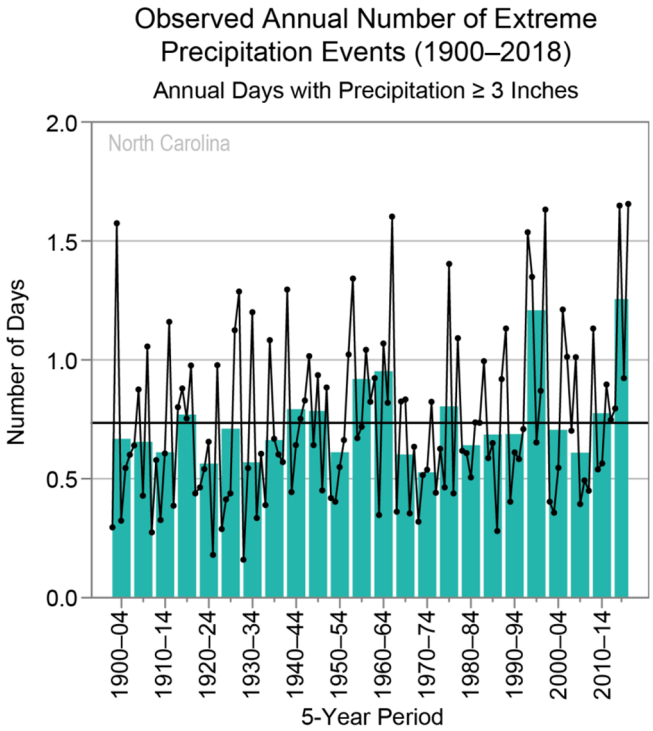
> It is virtually certain that sea level along the North Carolina coast will continue to rise due to expansion of ocean water from warming and melting of ice on land. Similarly, it is virtually certain that rising sea levels and increasing intensity of coastal storms will result in an increase in storm surge flooding in coastal North Carolina. Increase storm surge

[9] K.E. Kunkel, et. al., *North Carolina Climate Science Report*, 7 (Revised Sept. 2020) *available at* https://ncics.org/programs/nccsr
[10] *Id.* at 168 (North Carolina has many square miles of coastal land within a few feet of sea level).
[11] *Id.*
[12] *Id.*
[13] *Id.* at 176.
[14] *Id.*
[15] North Carolina Emergency Management, *supra* note 3 3-17.

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.[16]

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

Climate change has also "detectably influenced" extreme precipitation events, an important driver of flooding.[17] Per the most recently available North Carolina Climate Science Report, there is a statistically significant upward trend in extreme precipitation events—days with more 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).[18]



(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.[19] 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.[20]

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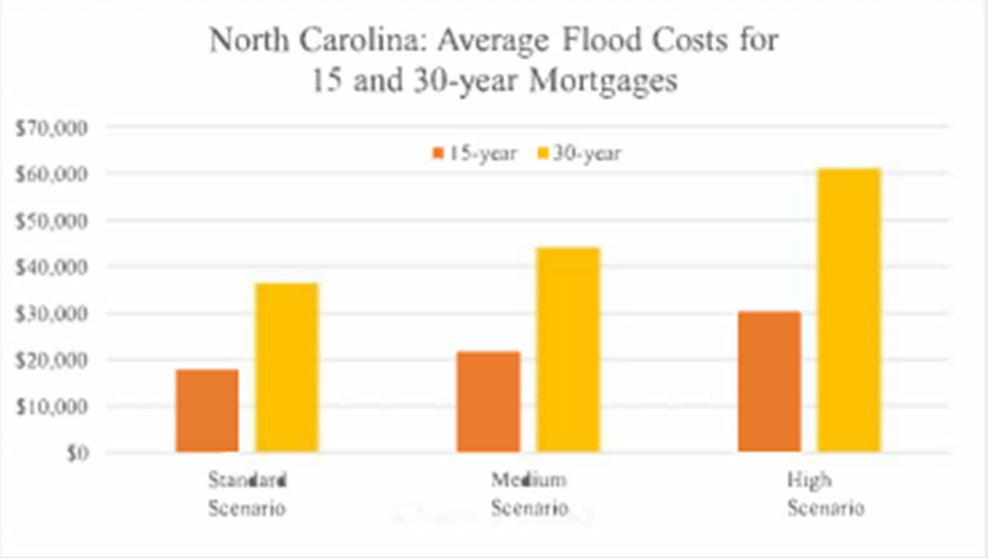
[16] *Id.* at 3-40.
[17] Sonia Senevirante et al., *Ch 3: Changes in Climate Extremes and their Impacts on the Natural Physical Environment* in IPCC Special Report on Managing Risks of Extreme Events and Disasters to Advance Climate Adaptation 109, 177
[18] K.E. Kunkel, et. al *supra* note 66.
[19] *Id.*
[20] *Id.* at 187

b. Flooding can have significant financial ramifications for North Carolina home buyers.

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.

c. 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 5). This support was firmly bipartisan; 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 homebuyers, public safety, and coastal communities.

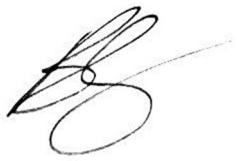
d. Multiple States have strong flood-risk disclosure laws.

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 South Carolina, Texas, Louisiana, and Mississippi. According to FEMA, two-thirds of states have more explicit flood-related disclosure requirements than North Carolina.[21] 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 1-4).

* * * * * * * * * *

As flood risk increases across the state, ensuring real disclosures concerning flooding are fair and transparent is essential for protecting North Carolina families. 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. We respectfully request the North Carolina Real Estate Commission adopt the undersigned's revised questions.

Respectfully,



Southern Environmental Law Center
601 W. Rosemary St.
Suite 200
Chapel Hill, NC 27516

[21] FEMA, *Flood Risk Disclosure: Model State Requirements for Disclosing Flood Risk During Real Estate Transactions*, 1-3 (July 11, 2022) *available at* https://www.fema.gov/sites/default/files/documents/fema_state-flood-risk-disclosure-best-practices_07142022.pdf

Joel Scata
Attorney, Water Initiatives, People & Communities Program
NRDC

Carlene McNulty
Litigation Director
NC Justice Center

Brittany Love
Director of Systemic Programming
Robeson Co. Church and Community Center

Anita Cunningham
Program Director
NC Disaster Response and Resilience Network
(formerly NC Disaster Survival and Resiliency School

Yesenia Cuello
Executive Director
NC Field Inc.

Revised Questions F4 to F9

F4. Is the property located in a federally designated flood hazard area?

~~If you answered yes, is there a current flood insurance policy covering the property?~~

~~[NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy.]~~

~~If you answered yes, is there a flood elevation certificate for the property?~~

F5. To your knowledge, has the property experienced any damage due to erosion, flooding, water seepage, or pooled water attributable to a natural event such as a hurricane, heavy rainfall, coastal storm surge, tidal inundation, or river overflow?

~~If you answered yes, have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program?~~

~~If you answered yes, have you received assistance from FEMA or any other federal disaster flood assistance for flood damage to the property?~~

~~[Note: For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance when required can result in an owner being ineligible for future assistance.~~

F6. 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:_____

F7. Is there current flood insurance on the property? If yes, provide the annual premium amount:_____

[NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy.]

F8. Have you or any previous owner received assistance from FEMA, the US Small Business Administration, or any other federal disaster ~~flood~~ assistance for ~~flood~~ damage to the property?

[NOTE: For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance can result in an owner being ineligible for future assistance.]

F9. Is there a ~~FEMA~~ flood elevation certificate for the property?

North Carolina Coastal Resources Commission

July 21, 2023

By email to: Public.Comment@ncrec.gov

North Carolina Real Estate Commission
PO Box 17100
Raleigh, NC 27619-7100

Re: Comments regarding proposed changes to Disclosure Form

Dear Members of the North Carolina Real Estate Commission:

On behalf of the North Carolina Coastal Resources Commission (CRC), I am writing to comment on the proposed changes to the State of North Carolina Residential Property and Owners Association Disclosure Statement (Disclosure Statement).

As you may know, the CRC has responsibility for the Coastal Area Management Act of 1974 (CAMA) and adopts administrative rules to implement the state's coastal program in the twenty coastal counties. CAMA permits are required for development along our state's coast, and for properties on or near the Atlantic Ocean. The CRC has adopted oceanfront erosion setbacks designed to locate new development landward of ocean hazards including erosion and coastal flooding, both of which have been exacerbated by sea level rise.

At the CRC's April 25-26, 2023 meeting, we heard a presentation about the December 1, 2022 Petition for Rulemaking to the NC Real Estate Commission (Commission) from the Southern Environmental Law Center on behalf of five non-profit organization clients seeking to add five new questions to the disclosure statement regarding a property's flood history and flood risk. We were also presented information about past attempts of members of the General Assembly to add information to the disclosure statement regarding coastal hazards, and information about how other coastal states require disclosure of coastal hazards.

The CRC is aware that your commission and North Carolina Sea Grant have jointly created an educational brochure titled "Purchasing Coastal Real Estate in North Carolina" which includes information on both flooding and coastal hazards. See CoastalBrochure.pdf at https://www.ncrec.gov/Publications/Pubs (last checked July 12, 2023) However, as neither the seller nor the real estate agent is required to provide the brochure to potential purchasers, and because the brochure provides general information but not information about coastal erosion and shoreline stabilization projects at a specific property address, the CRC considers the proposed changes to the Disclosure Statement an important next step in providing necessary information to allow potential buyers make educated decisions when purchasing property.

ROY COOPER
GOVERNOR

M. RENEE CAHOON
CHAIR

LARRY BALDWIN

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TERESA B. BATTS

D.R. BRYAN, JR.

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PHIL NORRIS

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ALEXANDER D. TURNELL

ANGIE WILLS

BRAXTON C. DAVIS
EXECUTIVE SECRETARY

Division of Coastal Management
Department of Environmental Quality
400 Commerce Ave., Morehead City, North Carolina 28557
Phone 252-808-2808 FAX 919-733-1495

In general, the CRC supports the recent rule amendment which requires the Disclosure Statement to include questions regarding the flooding history of the property, as well as your current effort to update the Disclosure Statement in light of the new rules. However, we suggest some additional revisions to the Disclosure Statement for clarity, and efficiency. In addition, to the extent allowed by the revised 21 NCAC 58A .0114, we also suggest broadening the required disclosures to address some issues specifically related to coastal property. Attached to this letter are the CRC's proposed revised questions F4 through F12 with deletions represented by striking through the language and additions shown by underlining the proposed new language. The reasons for these suggested revisions are described in the following paragraphs:

Section F4: The CRC requests that this section be changed to delete the three sentences included after the initial question. The first and last sentences are redundant as these questions are already included in the draft Disclosure Statement in sections F7 and F9. The CRC suggests that the Note be moved to section F7 which relates to the existing flood insurance policy.

Section F5: The CRC requests that this section be changed to add the words "shoreline erosion" and "a hurricane" in the first sentence as a coastal storm's surge or more generally a hurricane may cause erosion damaging the property's shoreline. The CRC notes that the second sentence relating to an insurance claim is redundant as it is also addressed in section F6 of the Disclosure Statement. Therefore, this sentence should be deleted from this section. In addition, the sentences regarding FEMA and federal disaster assistance (including the NOTE) are already covered in section F8 and should be deleted in this section as redundant.

Section F6: No proposed changes.

Section F7: The CRC suggests that the Note in Section F4 be moved to this section as it relates to flood insurance.

Section F8: The CRC suggests that the word "flood" be deleted from this section as assistance under FEMA and other federal programs may be available for other types of property damages (for example, to replace roofs blown off or destroyed during a hurricane).

Section F9: No proposed changes.

Section F10: The CRC proposes that the Commission add a new section to the Disclosure Statement to require disclosure of whether the existing structure conforms to the CRC's setback rules. A nonconforming structure cannot be replaced if destroyed and any new development on the property that does not meet the CRC's rules can only permitted if a variance is granted by the CRC.

Section F11: The CRC proposes that the Commission add a new section to the Disclosure Statement to require disclosure of the long-term annual erosion rate for shoreline property. This information is found on the Division of Coastal Management's website: https://ncdenr.maps.arcgis.com/apps/webappviewer/index.html?id=f5e463a929ed430095e0a17ff803e156 or by calling the DCM field representative assigned to the area in which the property is located. In addition, the CRC suggests that the Commission consider adding this statement to explain the significance of erosion on a coastal property: "NOTE: The Coastal Resources Commission's Rule 15A NCAC 7H .0306(g) addresses when a "structure threatened by erosion shall be relocated or dismantled." The Division of Coastal Management can be contacted for specific information on this issue.

The CRC also recommends adding the following note: "If the property is located in one of North Carolina's twenty coastal counties, it may be subject to the Coastal Area Management Act of 1974 (CAMA) and the Coastal Resources Commission's rules, and a CAMA permit may be required for repairs or improvements. Contact the Division of Coastal Management or the local government with permit authority over construction adjacent to the shoreline for more information."

Section F12: The CRC proposes that the Commission add a new section to the Disclosure Statement requiring a seller to provide information on any prior beach nourishment projects, dune construction, beach bulldozing supporting, protecting, or otherwise affecting the property, and any erosion control structures installed on the property (sandbags, geotubes, bulkheads, seawalls, groins, revetments, or similar structures) and the date any installed erosion control structure must be removed in accordance with any local, state, or federal permits.

* * * * * * * * * *

The CRC is aware that disclosure statements in South Carolina and Texas already include coastal hazard disclosure requirements. We are respectfully requesting that you consider making the revisions suggested above including adding the questions relating to coastal hazards.

Sincerely,



Renee Cahoon, Chair
North Carolina Coastal Resources Commission

cc: Braxton Davis, Director of Division of Coastal Management
Members of the North Carolina Coastal Resources Commission

F. ENVIRONMENTAL / FLOODING

Revised Questions F4 through F12

F4. Is the property located in a federally-designated flood hazard area?

~~If you answered yes, is there a current flood insurance policy covering the property?~~

~~[NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy.]~~

~~If you answered yes, is there a flood elevation certificate for the property?~~

F5. To your knowledge, has the property experienced any damage due to shoreline erosion, flooding, water seepage, or pooled water attributable to a natural event such as a hurricane, heavy rainfall, coastal storm surge, tidal inundation, or river overflow?

~~If you answered yes, have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program?~~

~~If you answered yes, have you received assistance from FEMA or any other federal disaster flood assistance for flood damage to the property?~~

~~[Note: For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance when required can result in an owner being ineligible for future assistance.~~

F6. 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:_____

F7. Is there current flood insurance on the property? If yes, provide the annual premium amount:_____

[NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy.]

F8. Have you or any previous owner received assistance from FEMA, the US Small Business Administration, or any other federal disaster ~~flood~~ assistance for ~~flood~~ damage to the property?

[NOTE: For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance can result in an owner being ineligible for future assistance.]

F9. Is there a FEMA elevation certificate for the property?

F10 Does the existing structure on the property conform to the setbacks established by the Coastal Area Management Act of 1974 and the rules of the Coastal Resources Commission?

NOTE: If the property is located in one of North Carolina's twenty coastal counties, it may be subject to the Coastal Area Management Act of 1974 (CAMA) and the Coastal

Resources Commission's rules, and a CAMA permit may be required for repairs or improvements. Contact the Division of Coastal Management or the local government with permit authority over construction adjacent to the shoreline for more information. A nonconforming structure cannot be replaced if destroyed and any new development on the property that does not meet the CRC's setback rules can only permitted if a variance is granted by the CRC.

F11 What is the current long-term annual erosion rate calculated by the North Carolina Division of Coastal Management for the property? feet per year

NOTE: The Coastal Resources Commission's Rule 15A NCAC 7H .0306(g) addresses when a "structure threatened by erosion shall be relocated or dismantled." The Division of Coastal Management can be contacted for specific information on this issue.

F12 Are there any prior beach nourishment projects, dune construction, beach bulldozing supporting, protecting, or otherwise affecting the property, and any erosion control structures installed on the property (sandbags, geotubes, bulkheads, seawalls, groins, revetments, or similar structures)? If so, what is the date any installed erosion control structure must be removed in accordance with any local, state, or federal permits?

North Carolina Conservation Network

234 Fayetteville Street
5th Floor
Raleigh, NC 27601
919.857.4699

August 1, 2023

Melissa Vuotto,
Rulemaking Coordinator
NC Real Estate Commission
PO Box 17100
Raleigh, NC 27619

Dear Ms. Vuotto:

Thank you for the opportunity to write in support of the NC Real Estate Commission's proposed revisions to the Residential Property and Owner's Association Disclosure Statement. In particular, we appreciate the addition of questions about flood hazard and flood history to the disclosure form. The NC Conservation Network is a statewide environmental advocacy group; tens of thousands of our supporters live in counties that have experienced flooding in the last decade. Many will buy or sell houses in the coming years and will benefit from the information elicited by the flood hazard and history questions.

We join other commenters in urging the removal of the subquestions from F4 and F5; these are most appropriately asked as free-standing questions F6 – F9. We request that information be added to question F7 to indicate that an existing flood insurance policy may be assignable at a lesser premium than a new policy, as including that information may make buyers more likely to purchase flood insurance. We also support listing the flood insurance premium in the disclosure form, as it comprises a very real cost that a buyer should know about and be prepared to pay.

We write separately to highlight a recent study that illustrates the potential benefit of your revisions to the form; we attach it to this letter.[1] Published as a preliminary text on July 24, the study reports on a 'large-scale nationwide natural field experiment', in which Redfin, an online real-estate brokerage, provided flood risk information to 17.5 million randomly-selected users as they searched for properties on the platform, and then compared their behavior to a control group of users who did not receive this information. The results were striking:

> Our analysis reveals several key findings: (1) the flood risk information influences every stage of the house buying process, including the initial search, bidding activities, and final purchase; (2) individuals are willing to make trade-offs concerning property amenities in order to own a property with a lower flood risk; and (3) the impact of the flood risk information is more pronounced for users conducting searches in high risk areas, but does not differ significantly between buyers in Red and Blue Counties.[2]

[1] Daryl Fairweather, Matthew Kahn, Robert Metcalf, and Sebastian Sandoval-Olascoaga, Preliminary: The Impact of Climate Risk Disclosure on Housing Search and Buying Dynamics: Evidence from a Nationwide Field Experiment with Redfin, July 24, 2023.
[2] Fairweather *et al.*, at 1.

These results underscore the benefits of the NC Real Estate Commission's proposed revisions to all North Carolinians. If information about flood risk is provided, many home buyers will use it.

Indeed, the NC Real Estate Commission should look for an opportunity to improve the information disclosed by requiring it to address future anticipated flood risk as those estimates become more widely available. The data provided in the Redfin experiment was a flood risk estimate calculated by First Street Foundation, and it used a measure of future flood risks that takes into account impacts of ongoing climate change.[3] Consumers responded to that information, showing less willingness to pay for properties that are likely to flood in the future, even if the Federal Emergency Management Agency (FEMA) does not already regard them as high risk. The disclosure required by question F4 is not specifically forward-looking; but this study demonstrates that home buyers will respond to and appreciate forward-looking information.

The proposed disclosure questions will also have a benefit that the Redfin study does not address directly: making sure that home buyers know when they need to buy flood insurance. The Redfin study notes that a majority of homeowners in the FEMA-mapping 100-year floodplain do not have flood insurance, and that many homeowners have no idea whether their properties should have flood insurance.[4] But beyond that, for homes that have previously flooded and whose owners have received federal disaster assistance, FEMA requires that any future owners carry flood insurance as a condition of eligibility for assistance after future disasters.[5] Questions F5 through F9 may be the only way a home buyer is alerted to this requirement, so they do not forfeit eligibility for assistance when the next disaster strikes.

Finally, while we strongly support the proposed changes to the disclosure forms, we note that a property transaction has a lot of momentum by the time it reaches closing. For a home buyer who has never really thought about flood risk, it is much easier to process this information and respond to it earlier in the search process, and before offers have been made and accepted pending closing. For a family hoping to build generational wealth, knowing that a property is at real risk of flooding (that could destroy that wealth) is invaluable, but absorbing and acting on that knowledge may require a buyer to step away from a long-held dream. We encourage the NC Real Estate Commission also to look for ways to make flood history and risk information available to buyers earlier in the process, as a part of the core information posted when a property is listed for sale.

Again, we appreciate the chance to offer comments in support of adding flood history and hazard questions to the new disclosure form. Thank you for the work you do to protect North Carolina property owners and buyers.

Sincerely,

Grady McCallie
Policy Director

[3] Fairweather *et al.*, at 3.
[4] Fairweather *et al.*, at 8, footnote 7.
[5] 12 CFR Part 339.

North Carolina Conservation Network

234 Fayetteville Street
5th Floor
Raleigh, NC 27601
919.857.4699

July 31, 2023

Melissa Vuotto
Rulemaking Coordinator
NC Real Estate Commission
PO Box 17100
Raleigh, NC 27619

RE: Comments Concerning the Proposed Form Changes for The Residential Property and Owner's Association Disclosure Statement

Dear Ms. Vuotto,

Please see the petition signed by 493 North Carolina residents who appreciate that the NC Real Estate Commission has proposed a plan that would provide potential home buyers with information about a home's flood risk. This will be crucial for ensuring buyers can take appropriate steps to mitigate flood damages, including purchasing flood insurance. To make the Proposed Form stronger, we ask the commission to make minor revisions for accuracy of information, clarity, and simplicity.

Those revisions are to the following questions:

- Question F4: We request that this question be changed to delete the sub-questions included after the initial question. The conditional nature of the sub-questions risks crucial information being omitted during real estate transactions. Roughly half of the policies cover properties outside of the 100-year floodplain. Proposed Question F4, as currently written, would exempt over 49,000 properties from the requirement to disclose their flood insurance coverage.
- Question F5: For simplicity and to avoid redundancy, we recommend that this section be changed to delete the sub-questions included after the initial question.

Thank you for your work on this issue and giving folks the knowledge they need to make the right choices for themselves when they are purchasing a home.

Sincerely,

Brittany Iery

Brittany Iery, Online Organizer
NC Conservation Network
234 Fayetteville Street, 5th Floor
Raleigh, NC 27601

Dear NC Real Estate Commission,

We, the undersigned, appreciate that the NC Real Estate Commission has proposed a plan that would provide potential home buyers with information about a home's flood risk. This will be crucial for ensuring buyers can take appropriate steps to mitigate flood damages, including purchasing flood insurance. To make the Proposed Form stronger, we ask the commission to make minor revisions for accuracy of information, clarity, and simplicity.

Those revisions are to the following questions:

- Question F4: We request that this question be changed to delete the sub-questions included after the initial question. The conditional nature of the sub-questions risks crucial information being omitted during real estate transactions. Roughly half of the policies cover properties outside of the 100-year floodplain. Proposed Question F4, as currently written, would exempt over 49,000 properties from the requirement to disclose their flood insurance coverage.
- Question F5: For simplicity and to avoid redundancy, we recommend that this section be changed to delete the sub-questions included after the initial question.

Thank you for your work on this issue and giving folks the knowledge they need to make the right choices for themselves when they are purchasing a home.

Sincerely,

	First Name	Last Name	Address	City	State	Zip Code
1.	Philip	Moore	3192 Tusquittee Rd	Hayesville	NC	28904-7592
2.	Peter	Lourekas	Po Box 18738	Asheville	NC	28814-0738
3.	Anne	Lanzi	34 Montana Ave	Asheville	NC	28806-4116
4.	Marcia	Greenstein	15 Oregon Ave	Asheville	NC	28806-3480
5.	Gloria	Shen	40 Rocking Porch Ln	Asheville	NC	28805-4304
6.	Edith	Simpson	15 Springdale Rd	Asheville	NC	28805-1736
7.	Tom	Redinger	7 Ridgeland Ln	Asheville	NC	28805-0001
8.	Pamela	Culp	42 River Walk Dr	Asheville	NC	28804-4405
9.	Frances	Kelly	1965 Riverside Dr	Asheville	NC	28804-2051
10.	Marla	West	81 Wild Cherry Rd	Asheville	NC	28804-1726
11.	Adrienne	Ferriss	27 Pheasant Dr	Asheville	NC	28803-3370
12.	C. Warren	Pope	12 Mountain Site Ln Ext	Asheville	NC	28803-2195
13.	Betty	Lawrence	142 Hillside St	Asheville	NC	28801-1206
14.	Chris	Mitchell	149 Cold Springs Rd	Hendersonville	NC	28792-9495
15.	Deborah	Dobson	32 N Clear Creek Rd	Hendersonville	NC	28792-8133
16.	Walter	Kross	32 Imperial Dr	Hendersonville	NC	28792-8105
17.	George	Phillips	1140 Carousel Ln	Hendersonville	NC	28792-5846
18.	Beth	Pensiero	128 Exeter Ct	Hendersonville	NC	28791-3254
19.	Jacqueline	Knable	878 Sandburg Ter	Hendersonvlle	NC	28791-2992
20.	Linda	Camp	522 Woodfield Ln	Hendersonville	NC	28791-1993
21.	Laura	Bannister	11 Surrey Run	Hendersonville	NC	28791-1653
22.	Dominick	Martello Jr.	119 Cold Stream Way	Hendersonville	NC	28791-1489
23.	Cathy	Nieman	312 Ivy Hill Rd	Weaverville	NC	28787-9652
24.	Marion	Danforth	9 Williams St	Weaverville	NC	28787-9430
25.	Charlie	Froelich	16 Heather Mist Dr	Weaverville	NC	28787-8000
26.	Doug	Franklin	383 Boundary St	Waynesville	NC	28786-3205
27.	Danna	Mclintock	920 Tumbling Fork Rd	Waynesville	NC	28785-6010
28.	Kim	Adams	516 Melrose Avenue Ext	Tryon	NC	28782-3374
29.	Abby	Bishop	301 Hidden Valley Dr	Pisgah Forest	NC	28768-0770
30.	Tracey	Devlyn	1025 Grandview Peaks Dr	Nebo	NC	28761-0272
31.	Pat	Momich	7839 Nc 208 Hwy	Marshall	NC	28753-7536
32.	Dena	Watts	139 S Turkey Creek Rd	Leicester	NC	28748-6501
33.	Asiya	White	76 Worley Cove Rd	Leicester	NC	28748-5525

34.	Joseph	Robustelli	111 Breckenridge Ct	Hendersonville	NC	28739-8803
35.	Sharon	Van Horn	45 Pine Hill Rd	Franklin	NC	28734-3708
36.	Michael	Roche	7 Briarwood Ln	Fletcher	NC	28732-8417
37.	Marilyn	Hamer	220 Dye Leaf Rd	Fairview	NC	28730-9651
38.	Larissa	Bowman	49 Salamander Cove Trl	Fairview	NC	28730-0227
39.	George	Rector	947 Bo Cove Rd	Cullowhee	NC	28723-6930
40.	Bonnie	Sinatro	300 Three Bridge Rd	Columbus	NC	28722-8812
41.	Leslie	Richardson	82 Denton St	Columbus	NC	28722-6409
42.	Heide	Coppotelli	383 Seldon Emerson Rd	Cedar Mountain	NC	28718-9017
43.	Rob	Allyn	59 Luther Cove Rd	Candler	NC	28715-9696
44.	Sandra	Young	21 Heather Dr	Candler	NC	28715-9481
45.	Faith	Ferris	12 Enka Oak St	Candler	NC	28715-7904
46.	Lenore	Madeleine	700 Vista Lake Dr Apt 308	Candler	NC	28715-7191
47.	Lynne	Gaudette	35 Buckhorn Gap Rd	Candler	NC	28715-0230
48.	Bobbi	Lempert	55 Mountain Creek Ln	Burnsville	NC	28714-8458
49.	John	Bromer	255 Lakey Gap Acres	Black Mountain	NC	28711-9647
50.	Martha	Johnson	4 Daniel Ln	Black Mountain	NC	28711-8712
51.	John	Ventre	700 Shumont Rd	Black Mountain	NC	28711-8648
52.	Robert	Swett	301 Montreat Rd	Black Mountain	NC	28711-3119
53.	Roberta	Rosell	219 Pine St	Black Mountain	NC	28711-3021
54.	Jim And Carol	Hillegas	115 Spring View Dr	Black Mountain	NC	28711-0329
55.	Victoria	Reiser	387 Stoney Fork Rd	Barnardsville	NC	28709-9799
56.	Julia	Hartman	70 Dalmatian Trl	Alexander	NC	28701-9210
57.	Jimmy	Davidson	941 Vanderpool Rd	Vilas	NC	28692-8923
58.	Sandra	Ellison	8064 Island Point Rd	Sherrills Ford	NC	28673-7234
59.	Mary	Pasquill	1149 Hidden Lake Dr	Granite Falls	NC	28630-8592
60.	Carol	Hoke	5092 Gold Leaf Trl	Conover	NC	28613-8499
61.	Marna	Napoleon	250 Yarrow Ln	Boone	NC	28607-9691
62.	Fredrick	Milano	Po Box 1518	Boone	NC	28607-1518
63.	April	Hardee	7528 Sound Dr	Emerald Isle	NC	28594-2900
64.	Barbara	Benson	104 Deerfield Ct	Cedar Point	NC	28584-8047
65.	Patrick	Libby	405 Carole Dr	Jacksonville	NC	28540-0912
66.	Lavera	Parato	407 Ketner Blvd	Havelock	NC	28532-9541
67.	Walter	Wood	304 Hedrick St	Beaufort	NC	28516-2085

68.	Randall	Dail	495 River Bluff Dr Unit 3	Shallotte	NC	28470-5894
69.	Cary	James	4348 Frying Pan Rd Se	Southport	NC	28461-6304
70.	Abigail	Kamschroeder	61 E Huckleberry Way	Rocky Point	NC	28457-4602
71.	Frederick	Mayer	214 Hickory Ln	Hampstead	NC	28443-2531
72.	Shannon	Harper	511 Old Mill Rd	Castle Hayne	NC	28429-5926
73.	Amanda	Morgan	105 Mishoe Rd	Castle Hayne	NC	28429-5565
74.	Tracey	Laszloffy	4414 Worthylake Run	Wilmington	NC	28412-7084
75.	Ro	Mentesana	1134 Matteo Dr	Wilmington	NC	28412-5013
76.	Janet	Rodrick	8718 Mollys Ct	Wilmington	NC	28411-9294
77.	Gloria	Green	1306 Maple Ridge Rd	Wilmington	NC	28411-7410
78.	Wanda	Duchesne	7436 Whitney Dr	Wilmington	NC	28411-1017
79.	Andy	Sefton	4937 Crosswinds Dr	Wilmington	NC	28409-8944
80.	Peggy	Fry	115 Pine Cone Rd	Wilmington	NC	28409-5113
81.	Karen	Langelier	3613A Saint Johns Ct	Wilmington	NC	28403-4171
82.	James	Zizzo	2304 Wrightsville Ave Apt 106	Wilmington	NC	28403-2486
83.	M	Stanley	126 Central Blvd	Wilmington	NC	28401-6947
84.	Kimberly	West	1912 Washington St	Wilmington	NC	28401-6714
85.	H. Alan	Helsing	2500 E Indiana Ave	Southern Pines	NC	28387-7400
86.	Jacquelyn	Hawkins	305 Andrews Rd	Red Springs	NC	28377-8665
87.	Jane	Haladay	7 Nashua Ct	Pinehurst	NC	28374-8494
88.	Ryuu	Nishikawa	2900 Freedom Dr	Lumberton	NC	28358-7376
89.	C	Grimes	6317 Rustic Rdg	Hope Mills	NC	28348-2712
90.	Walter	Dietrich	429 Summerlea Dr	Fayetteville	NC	28311-1171
91.	Paula	Mcphail	2122 Clinchfield Dr	Fayetteville	NC	28304-3669
92.	Brett	Little	2711 Bennington Rd	Fayetteville	NC	28303-5235
93.	Edward	Turner	11226 Coachman Cir	Charlotte	NC	28277-9173
94.	Larry	Hannon	6823 Needham Dr	Charlotte	NC	28270-2836
95.	Michele	Mcguirt	1708 Whispering Forest Dr Apt 307	Charlotte	NC	28270-2341
96.	Nikita	Williams	8103 Marett Ct	Charlotte	NC	28269-5191
97.	Tyson	Walkup	12716 Peyton Ct	Charlotte	NC	28262-1588
98.	Deborah	Steiner	10102 Mountain Apple Dr	Mint Hill	NC	28227-5246
99.	Steve	Copulsky	6614 Lynn Ave	Charlotte	NC	28226-8010
100.	Fred	Martin	3215 Ravencliff Dr	Charlotte	NC	28226-7332
101.	Alex	Blaine	10518 Kettering Dr	Charlotte	NC	28226-4742

102.	Debora	Hilton	4701 Carberry Ct	Charlotte	NC	28226-3270
103.	Cliff	Lefstead	6117 Cedar Croft Dr	Charlotte	NC	28226-2964
104.	Rachel	Magallon	6617 Blythedale Dr	Charlotte	NC	28213-2113
105.	Brandon	Williams	7239 Lockmont Dr	Charlotte	NC	28212-6451
106.	S.	Teel	4507 Emory Ln	Charlotte	NC	28211-2414
107.	Mark	Hemenway	7700 Covey Chase Dr	Charlotte	NC	28210-7208
108.	Elizabeth	Whitt	1116 Scaleybark Rd Apt 116B	Charlotte	NC	28209-4509
109.	Ellyn And Neil	Kirschner	326 Tranquil Ave	Charlotte	NC	28209-2116
110.	Mary	Bowman	1612 Myers Park Dr	Charlotte	NC	28207-2670
111.	Janet	Palmer	5326 Silabert Ave	Charlotte	NC	28205-7869
112.	Christine	Sheil	1514 Mimosa Ave	Charlotte	NC	28205-2908
113.	Emily	Petrone	1010 W Trade St Apt 432	Charlotte	NC	28202-3374
114.	Cindy	Shoaf	225 Playground Ln	Salisbury	NC	28146-7534
115.	Deb	Douglas	47209 Paradise Ln	Norwood	NC	28128-7455
116.	Christi	Dillon	175 Forest Ridge Rd	Mooresville	NC	28117-6519
117.	Laura	Lathan	1312 Gateshead Ln	Matthews	NC	28105-2525
118.	Mark	Sullivan	4016 Logan Cir	Indian Trail	NC	28079-6516
119.	William	Austin	4142 Town Center Rd	Harrisburg	NC	28075-7440
120.	George	Slaton	1230 South St	Cornelius	NC	28031-8163
121.	Michelle	Mitchell	20311 Chartwell Center Dr Unit 1673	Cornelius	NC	28031-5346
122.	Cynthia	Bernett	10636 Rippling Stream Dr Nw	Concord	NC	28027-8264
123.	Emily	Buiwe	412 Spring St Sw	Concord	NC	28025-5029
124.	Susan	Hannah	476 Caldwell Dr Se	Concord	NC	28025-3602
125.	Ginny	Nolan	3204 S Memorial Ave	Nags Head	NC	27959-9362
126.	Tripp	Carter	118 Nc Highway 45 S	Merry Hill	NC	27957-9426
127.	Cheryl	Hopkins	50092 Treacher Ln	Buxton	NC	27920-1569
128.	Rachel	Doyle	3205 Walbrook Pl N	Wilson	NC	27896-1716
129.	Sharon	Pugh	703 Fleming St Ne	Wilson	NC	27893-2624
130.	Natalie	Sykes	116 Lincoln St	Roanoke Rapids	NC	27870-2366
131.	Emilie	Kane	1706 Canterbury Rd	Greenville	NC	27858-4414
132.	Susan	Howell	513 Plymouth Dr	Greenville	NC	27858-0005
133.	George	Spruill	134 Elizabeth Ct	Murfreesboro	NC	27855-9202
134.	Amanda	Kenney	1213B Price Dr	Greenville	NC	27834-0551
135.	Elizabeth	Wilkes	117 Winterberry Ridge Dr	Durham	NC	27713-9440

136.	Debra	Brazzel	18 Streamview Ct	Durham	NC	27713-9337
137.	Marci	Garton	600 Mahone St	Durham	NC	27713-8929
138.	John	Wiles	5205 Langford Ter	Durham	NC	27713-6542
139.	Tracy	Feldman	5306 Pelham Rd	Durham	NC	27713-2532
140.	Michele	Hughes	2027 Hillock Pl	Durham	NC	27712-2552
141.	Jayne	Boyer	4316 Thetford Rd	Durham	NC	27707-5700
142.	Dale	Mckeel	3559 Hamstead Ct	Durham	NC	27707-5136
143.	Armstrong Hart	Pillow	16 Glenmore Dr	Durham	NC	27707-3975
144.	Keith	Levene	405 Carolina Cir	Durham	NC	27707-2252
145.	Robert	Jenks	212 Weldon Ridge Ct	Durham	NC	27705-7923
146.	Vicky	Brandt	3318 Coachmans Way	Durham	NC	27705-6027
147.	Jeffrey	Collins	57 Forest At Duke Dr	Durham	NC	27705-5639
148.	Marian	Dessent	10 Macgregor Ct	Durham	NC	27705-5446
149.	Debby	Teplin	2211 Hillsborough Rd Apt 3063	Durham	NC	27705-4177
150.	Laura	Smith	66 Justin Ct	Durham	NC	27705-2090
151.	Philip	Johnson	2600 Croasdaile Farm Pkwy Apt A104	Durham	NC	27705-1333
152.	Jeffrey	Nicolaisen	2528 Perkins Rd	Durham	NC	27705-1020
153.	Tony	Madejczyk	2705 Highland Ave	Durham	NC	27704-4307
154.	Kathy	Dick	507 Brier Crossings Loop	Durham	NC	27703-9839
155.	Andrew	Hefner	709 Pleasant Dr	Durham	NC	27703-5135
156.	Sybil M	Castle	1003 Glenrose Dr	Durham	NC	27703-2646
157.	Michael	Eisenberg	1015 Athena Dr	Durham	NC	27703-0409
158.	Shel	Anderson	1706 Rosetta Dr	Durham	NC	27701-2327
159.	Aaron	Reuben	309 Edward St	Durham	NC	27701-2311
160.	Polly	Harris	118 W Trinity Ave	Durham	NC	27701-1915
161.	John & Paula	Compton	404 W Knox St	Durham	NC	27701-1638
162.	Nyon	S.O	1001 Fox Hunt Ln Apt C	Raleigh	NC	27615-5331
163.	Corey	Cavalier	7905 Rooksley Ct	Raleigh	NC	27615-4713
164.	John	Franklin	11504 Hyde Pl	Raleigh	NC	27614-9626
165.	Michael	Fowler	10850 Oliver Rd Apt 201	Raleigh	NC	27614-7349
166.	Miranda	Guy	6808 Laurdane Rd	Raleigh	NC	27613-5937
167.	Chris	Magri	4501 Pike Rd	Raleigh	NC	27613-4071
168.	Elizabeth	Kearse	2113 Oakcrest Ct	Raleigh	NC	27612-6913
169.	Joe	Bearden	1809 Lakepark Dr	Raleigh	NC	27612-6516

170.	Donald	Fuchs	4609 Wee Burn Trl	Raleigh	NC	27612-6369
171.	Paul	Kim	4009 City Of Oaks Wynd	Raleigh	NC	27612-5310
172.	Luther	Smith	4845 Summit Arbor Dr	Raleigh	NC	27612-4074
173.	Susan	Allen	6824 Gloucester Rd	Raleigh	NC	27612-2474
174.	Jim	Smith	4620 Mial Plantation Rd	Raleigh	NC	27610-8510
175.	Sterling	Bowen	109 N King Charles Rd	Raleigh	NC	27610-2412
176.	Jessica	Heironimus	1225 Somerset Rd	Raleigh	NC	27610-1136
177.	Joanne	Loktu	1127 Hardimont Rd	Raleigh	NC	27609-6862
178.	Ken	Bosch	4404 Quail Hollow Dr	Raleigh	NC	27609-6018
179.	Karla	Heinen	408 Northclift Dr	Raleigh	NC	27609-3725
180.	Linda	Littleton	6017 Beardsley Ct	Raleigh	NC	27609-3701
181.	Kathy	Borkowski	5991 Dixon Dr	Raleigh	NC	27609-3601
182.	Jeff	Grimes	2402 Bedford Ave	Raleigh	NC	27607-7306
183.	Laurie	Dominy	5443 Wade Park Blvd Apt 1101	Raleigh	NC	27607-6054
184.	Catherine	Marie	3612 Morningside Dr	Raleigh	NC	27607-3027
185.	Cheryl	Mcgraw	1004 Braxton Ct	Raleigh	NC	27606-1706
186.	John	Gerwin	1008 Ravenwood Dr	Raleigh	NC	27606-1638
187.	Helen	Gray	1020 W Peace St Apt U8	Raleigh	NC	27605-1430
188.	Ken	Broome	1209 Filmore St Apt C	Raleigh	NC	27605-1278
189.	Jenafur	Maher-Bernard	4323 Mantua Way	Raleigh	NC	27604-3689
190.	Melanie	Kaufman	5808 Turner Store Ln	Raleigh	NC	27603-9519
191.	Kimberly	Lang	2712 Quail Point Dr Apt 101	Raleigh	NC	27603-8926
192.	Diane	Hiteshue	1303 Formal Garden Way	Raleigh	NC	27603-4374
193.	Elizabeth	Fensin	1936 Betry Pl	Raleigh	NC	27603-3095
194.	Emma	Ross	804 W Morgan St	Raleigh	NC	27603-1665
195.	Brian	Grimes	319 Idlewild Ave	Raleigh	NC	27601-1219
196.	Ariel	Hewlin	190 Dancing Horse Dr	Warrenton	NC	27589-8858
197.	Robert	Moore	1022 S Main St Apt A	Wake Forest	NC	27587-9224
198.	Lisa	Lambert	1136 Mauldin Cir	Wake Forest	NC	27587-4420
199.	Kenneth	Crews	3589 W Thollie Green Rd	Stem	NC	27581-9596
200.	Cookie	Reynolds	3611 Crosswinds Dr	Stem	NC	27581-9244
201.	Tanya	Taylor	5859 Kiger Rd	Rougemont	NC	27572-8548
202.	Karin	Hess	304 Milburnie Rd	Knightdale	NC	27545-9510
203.	Debra	Hanks	1703 Farm Lake Dr	Holly Springs	NC	27540-8805

204.	Lynne	C.	6032 Kentworth Dr	Holly Springs	NC	27540-7670
205.	Ann Scott	Thompson	8405 Bells Lake Rd	Apex	NC	27539-8383
206.	Catherine	Byrd	600 E Forest Hill Dr	Goldsboro	NC	27534-1820
207.	Susan W.	Cottle	209 Hutchins Dr	Garner	NC	27529-4532
208.	Stacie	Jones	312 Hunter Way	Clayton	NC	27520-7266
209.	Mary	Abrams	220 Muir Brook Pl	Cary	NC	27519-7021
210.	Michael	Welke	3108 Bluff Oak Dr	Cary	NC	27519-0106
211.	Douglas	Evans	105 Summerwalk Ct	Cary	NC	27518-9146
212.	Joyce	Pusel	15 Vauxhall Pl	Chapel Hill	NC	27517-8618
213.	Robin	Leto	86509 Holmes	Chapel Hill	NC	27517-8553
214.	Maria	Salgado	1 Carolina Mdws Apt 307	Chapel Hill	NC	27517-8508
215.	Christina	Sykes	531 Lashley Rd	Chapel Hill	NC	27516-9771
216.	Johnny	Mayall	86A Willow Way	Chapel Hill	NC	27516-9469
217.	Patty	Daniel	1904 Jo Mac Rd	Chapel Hill	NC	27516-7816
218.	Ann	Koppelman	2308 Wabash Rd	Chapel Hill	NC	27516-5827
219.	Eli	Celli	407 Legends Way	Chapel Hill	NC	27516-4371
220.	Louis	Giordano	102 Laurens Way	Chapel Hill	NC	27516-3403
221.	Ruchir	Vora	522 Dogwood Dr	Chapel Hill	NC	27516-2884
222.	Sue-Anne	Solem	310 Umstead Dr	Chapel Hill	NC	27516-1809
223.	Lesley	North	222 Ridge Trl	Chapel Hill	NC	27516-1641
224.	Rachel	Mcmanus	302 Copperline Dr	Chapel Hill	NC	27516-0415
225.	Frank	Moore	52 Hill Creek Blvd	Chapel Hill	NC	27516-0380
226.	A.	Bleyman	1818 Martin Luther King Jr Blvd Pmb 146	Chapel Hill	NC	27514-7415
227.	Michele	Clark	109 Shadowood Dr Apt V	Chapel Hill	NC	27514-2410
228.	Marc	Pendergast	203 Glenview Pl # 10	Chapel Hill	NC	27514-1950
229.	Linda	Brown	116 Woodbridge Ln	Chapel Hill	NC	27514-1831
230.	Burwell	Ware	126 Kingston Dr	Chapel Hill	NC	27514-1630
231.	John	Hinnant	750 Weaver Dairy Rd	Chapel Hill	NC	27514-1438
232.	D.	Thalheimer	407 Tynemouth Dr	Cary	NC	27513-5580
233.	Shirl	Ware-Gully	103 Bellshill Ct	Cary	NC	27513-5159
234.	Willard	Seehorn	110 Muir Woods Dr	Cary	NC	27513-4756
235.	Carl	Schroeder	113 Custer Trl	Cary	NC	27513-4747
236.	Faraha	Brewer	106 N Mclean Ct	Cary	NC	27513-2912
237.	Susane	Boukamel	200 Fox View Pl	Cary	NC	27511-7223

238.	Karen	Ferguson	402 Greenwood Cir	Cary	NC	27511-5755
239.	Samuel	Brewer	1203 Kilmory Dr	Cary	NC	27511-5094
240.	William	Stone	112 Rock Spring Ct	Carrboro	NC	27510-4105
241.	Adam	Versã©Nyi	205 Oleander Rd	Carrboro	NC	27510-1939
242.	Robert	Brown	333 Chinaberry Ln	Angier	NC	27501-8470
243.	Suzanne	Nickel	602 Spring Leaf Ct	Greensboro	NC	27455-1497
244.	Tamara	Imperiale	103 Shore Lake Dr Apt H	Greensboro	NC	27455-1461
245.	Ann	Steighner	1218 Lakewood Dr	Greensboro	NC	27410-4440
246.	Scott C.	Walker	712 Leawood Dr	Greensboro	NC	27410-4225
247.	Anne	Jones	6100 W Friendly Ave Apt 3104	Greensboro	NC	27410-4055
248.	Bruce	Kirchoff	5504 Ashmont Dr	Greensboro	NC	27410-3104
249.	Tracy	Sparrow	5610 Northlake Dr	Greensboro	NC	27410-2629
250.	Michael	Sileno	1509 W Cornwallis Dr	Greensboro	NC	27408-6311
251.	Chelsea	Brooks	1125 S Holden Rd	Greensboro	NC	27407-2306
252.	Kay	Doost	1618 Marion St	Greensboro	NC	27403-3430
253.	Martha	Loomis	503 Northridge St	Greensboro	NC	27403-1461
254.	Karen	Mallam	810 Buckner Springs Rd	Siler City	NC	27344-8219
255.	Susan	Abken	136 Rebecca Ln	Siler City	NC	27344-8099
256.	Ellen	Osborne	6731 Hunt Rd	Pleasant Garden	NC	27313-9701
257.	Elizabeth	Andrews	23 Hawks Spiral Way	Pittsboro	NC	27312-8540
258.	Ellen	Cohen	363 Fearrington Post	Pittsboro	NC	27312-8517
259.	Teresa	Ladd	601 Jamestown Rd	Pittsboro	NC	27312-6764
260.	Eileen	Mccorry	4103 Fearrington Post	Pittsboro	NC	27312-5049
261.	Kicab	Castaneda-Mendez	878 Fearrington Post	Pittsboro	NC	27312-5037
262.	Michelle	Wright	221 Fair Oaks Ct	Mebane	NC	27302-7984
263.	Andrea	Graham	6490 Alamance County Line Rd	Liberty	NC	27298-9339
264.	Elizabeth	Chappell	7217 Bobby Jean Rd	Julian	NC	27283-9232
265.	Betsy	Hundley	410 Wyndwood Dr	Jamestown	NC	27282-9724
266.	Brenda	Hayes	403 St Marys Rd	Hillsborough	NC	27278-2556
267.	Jessica	Shell	111 N Occoneechee St	Hillsborough	NC	27278-2429
268.	Sandra	Cooke	937 Baker Dr	Haw River	NC	27258-9755
269.	Sandra	Dishman	1883 Prince Edward Dr	Elon	NC	27244-9172
270.	Louisa	Dang	1236 Jamestowne Dr	Elon	NC	27244-8322
271.	Diane	Clark	4115 Castleford Dr	Colfax	NC	27235-9704

272.	Kristiana	Van Eyk	632 Mountain Rd	Asheboro	NC	27205-4222
273.	Debora	Horning	3619 Marlowe Ave	Winston Salem	NC	27106-4118
274.	Ruby	Coughenour	2705 Saint Johns Pl	Winston Salem	NC	27106-3800
275.	Richard	Marter	3250 Midkiff Rd	Winston Salem	NC	27106-3030
276.	Anne	Garvey	3235 Midkiff Rd	Winston Salem	NC	27106-3029
277.	Rebecca	Williams	3880 Whitehaven Rd	Winston Salem	NC	27106-2554
278.	Angela	Frazier	2115 Brookhurst St	Winston Salem	NC	27106-2444
279.	Benjamin	Miller	242 Ridge Forest Ct	Winston Salem	NC	27104-3552
280.	Matilda	Phillips	185 Driftwood Ln	Winston Salem	NC	27104-3452
281.	Marshall	Gravely	1010 Huntingdon Rd	Winston Salem	NC	27104-1621
282.	Luba	Havraniak	2270 Sunderland Rd Apt 17A	Winston Salem	NC	27103-6596
283.	John	Calhoun	1416 Brookstown Ave	Winston Salem	NC	27101-1127
284.	Mary S	Myers	2660 Kecoughtan Rd	Pfafftown	NC	27040-8504
285.	James	Smiley	309 Knoll Crest Rd	Mocksville	NC	27028-5338
286.	Grace	Hepler	1879 Harper Rd	Clemmons	NC	27012-8621
287.	Mauricio	Carvajal	El Viento Norte	Santiago	NC	92915
288.	Kim	Arauz	670 Hilltop Ln	Murphy	NC	28906
289.	Kathy	Inukai	95 Cowan Cove Rd	Asheville	NC	28806
290.	Buck	Schall	31 Elizabeth St	Asheville	NC	28801
291.	Rosanne	Martino	4103 Wood Duck Way	Hendersonville	NC	28792
292.	Talmadge	Burnette	1618 Kensington Rd	Hendersonville	NC	28791
293.	Martha	Langer	41 Rabbit Ridge Dr	Weaverville	NC	28787
294.	Frank	Mcnutt	77 Orchard Lake Dr	Saluda	NC	28773
295.	Don	Clapp	567 Greenville St	Saluda	NC	28773
296.	Ann	Green	740 Three Mile Knob Rd	Pisgah Forest	NC	28768
297.	Patricia	Derrough	61 Rolling Hills Rd	Mills River	NC	28759
298.	Cody	Jones	262 Hicks Chapel Loop	Marion	NC	28752
299.	Kay	House	44 E Glenview St	Marion	NC	28752
300.	Donna	Dupree	158B Jb Ivey Ln	Lake Junaluska	NC	28745
301.	Steven	Lee	101 Water Wheel Dr	Green Mountain	NC	28740
302.	Nathaniel	Grubbs	827 Hillcrest St	Hendersonville	NC	28739
303.	Joanne	Tuck	156 Wash Creek Dr Unit C	Hendersonville	NC	28739
304.	Susan	Goodman	234 Summerfield Pl	Flat Rock	NC	28731
305.	Donna	Savage	Po Box 493	Cullowhee	NC	28723

306.	Catherine	Carter	241 Oak Forest Drive	Cullowhee	NC	28723
307.	John	Geers	167 Rocky Knob Rd	Clyde	NC	28721
308.	Anna	Cummings	250 Cathey Rd	Candler	NC	28715
309.	Kathy	Watson	2100 Bald Mountain Rd	Burnsville	NC	28714
310.	Stuart	Sheafer	19 Spring Vista Ct	Brevard	NC	28712
311.	Marina	Little	101 Pender Ln	Brevard	NC	28712
312.	Sylvan	Copelof	100 Park Ave	Brevard	NC	28712
313.	Christina E	Dickson	109 Tabernacle Rd	Black Mountain	NC	28711
314.	Christiana	Brinton	5000 Aventine Dr Apt 209	Arden	NC	28704
315.	Patricia	English	313 Deer Creek Ln	Wilkesboro	NC	28697
316.	Donna	Thompson	14591 Elkin Highway 268	Ronda	NC	28670
317.	Alicia	Tucker	1101 K Street	North Wilkesboro	NC	28659
318.	Barbara	Barcomb	311 Virginia St Sw	Lenoir	NC	28645
319.	Linda	Taylor	404 Tennant Mtn Lane	Crossnore	NC	28616
320.	Vicki	Travis	5103 Circle Dr	Conover	NC	28613
321.	Scott	Butler	105 Oak Grove Rd Apt 27	Boone	NC	28607
322.	Dale	Kirkley	180 Maple Ridge Dr.	Boone	NC	28607
323.	Thomas	Johnson	2455 Holloway Mountain Rd	Blowing Rock	NC	28605
324.	Daveyanne	Mcevers	1140 12Th Street Dr Sw	Hickory	NC	28602
325.	William	Garrard	472 22Nd Ave Ne	Hickory	NC	28601
326.	Diane	Arbour	3409 6Th St Dr Nw	Hickory	NC	28601
327.	Sherry	Eason	7506 Ocean Dr	Emerald Isle	NC	28594
328.	Linda	Kehew	211 Buckingham Dr.	Winterville	NC	28590
329.	Elliotte	Ashburn	333 Glenfield Rd	Snow Hill	NC	28580
330.	Terry	Halpern	306 Whittaker Pt Rd	Oriental	NC	28571
331.	Harrison	Curtis	104 Sothel Ct	New Bern	NC	28562
332.	David	Youngs	110 Southern Hills Dr	New Bern	NC	28562
333.	Donna	Bonarrigo	606 Watson Ave	New Bern	NC	28560
334.	Kathy	Marks	111 Frost Ct	New Bern	NC	28560
335.	James	Cox	1409 N Pasteur St	New Bern	NC	28560
336.	Dr Greg & Teresa	Rice	105 S 28Th St	Morehead City	NC	28557
337.	Sarah	Simmons	605 Aztee Rd	Jacksonville	NC	28540
338.	Thomas	Kent	221 Riggs Rd Lot 79	Hubert	NC	28539
339.	Craig	Brown	670 Kings Trl	Sunset Beach	NC	28468

340.	John	Rundle	1023 Palm Ct	Carolina Shores	NC	28467
341.	Julie-Ann	Farrell	8769 Ackland Pl Nw	Calabash	NC	28467
342.	Marianne	Stallsmith	449 Deer Path	Calabash	NC	28467
343.	Doug	Vanluvender	1051 Fayetteville Ave	Calabash	NC	28467
344.	John	Davis	811 Sanders Road	Southport	NC	28461
345.	George	Kalinchak	357 Argonne Rd	Southport	NC	28461
346.	Henry	Goyette	6168 River Breeze Way	Leland	NC	28451
347.	Randall	Geehring	1148 Slater Way	Leland	NC	28451
348.	Gary	Karnik	1008 Bradbury Court	Leland	NC	28451
349.	Valerie	Jones	1021 Sparkle Stream Ct	Leland	NC	28451
350.	Marguerite	Smith	962 Woodwind Drive	Leland	NC	28451
351.	Edward	Barkley	4770 Robinson Trl	Northwest	NC	28451
352.	Kimberly	Wine	312 Dwight St	Holly Ridge	NC	28445
353.	Angela	Rogers	116 Shaes Landing	Surf City	NC	28445
354.	Thomas	Fahey	106 Regan Ct	Hampstead	NC	28443
355.	Mariel	Kruse	93 Grant Dr	Hampstead	NC	28443
356.	Rachel	Berg	702 Fifth St S	Carolina Beach	NC	28428
357.	Elyse	Clark	599 Hearthside Dr Se	Bolivia	NC	28422
358.	Cindy	Cirillo	1210 Isu Ct Se	Bolivia	NC	28422
359.	Mary	Mcnally	632 Windgate Dr.	Wilmington	NC	28412
360.	Chas	Rich	138 Sound View Dr	Wilmington	NC	28409
361.	Beth	Hansen	3722 Amber Dr	Wilmington	NC	28409
362.	Peter	Schulz	2616 Hargate Ct	Wilmington	NC	28405
363.	Samuel	Shores	6229 Wrightsville Avenue, Apt H	Wilmington	NC	28403
364.	James	Seramba	1501 Crows Landing Circle	Wilmington	NC	28403
365.	Mercedes	Hyman	279 Leutze Hall, 601 S.College Road	Wilmington	NC	28403
366.	Ishtar	Sunstar	928 Bonham Ave	Wilmington	NC	28403
367.	Scott	Kenan	1210 Spofford Cir Apt 4	Wilmington	NC	28403
368.	Stephen	Roberts	202 S 3Rd St Apt 10	Wilmington	NC	28401
369.	Joanne	Thornton	P.O. Box 2162	Southern Pines	NC	28388
370.	Richard W.	Ashton	15 Westchester Circle	Pinehurst	NC	28374
371.	Emily	Scott	34 Hanover St	Lumberton	NC	28358
372.	Judy	Jones	4586 Linden Rd	Linden	NC	28356
373.	Sherri	White-Williamson	528 Mckoy Street	Clinton	NC	28328

374.	Dinah	Hibbert-Herzog	398 Hilliard Dr	Fayetteville	NC	28311
375.	Steven	Scibelli	302 Southland Dr	Fayetteville	NC	28311
376.	Matt	Dillon	2108A Dillon Dr	Fayetteville	NC	28306
377.	Dezirae	Britton	Asu Box 10079	Fayetteville	NC	28304
378.	David	Nikkel	2641 Lockwood Rd Unit 192	Fayetteville	NC	28303
379.	Dwight	Butler	490 N. Pherson Church Rd.	Fayetteville	NC	28303
380.	Robert	Larick	5440 Allison La.	Charlotte	NC	28277
381.	Emma	Bogdan	331 Bass Lane	Charlotte	NC	28270
382.	Monika	Klein	8215 Shadow Oaks Dr Apt 421	Charlotte	NC	28269
383.	Hope	Hockaday	9431 Glenwater Drive	Charlotte	NC	28262
384.	Pamela	Walker	12130 Jumper Drive	Mint Hill	NC	28227
385.	Heven	Siyum	5934 Bluebonnet Rd	Charlotte	NC	28212
386.	Catherine	Mullis	4057 Rutherford Dr	Charlotte	NC	28210
387.	Hopefawn	Robertson	2108 El Verano Cir Apt H Apt H	Charlotte	NC	28210
388.	Reesa	Alexander Wong	4901 Central Ave	Charlotte	NC	28205
389.	Carolyn	Moening	2822 Bobwhite Cir	Wingate	NC	28174
390.	Stacey	Cannon	1903 Stokes Ferry Rd.	Salisbury	NC	28146
391.	Linda	Sufficool	405 Lake Dr	Salisbury	NC	28144
392.	Gaynelle	Brown	136 Pennington Fry	New London	NC	28127
393.	Marilyn	Brown	2901 Carding Pl	Matthews	NC	28105
394.	Albert	Knofsky	13411 Blanton Dr	Huntersville	NC	28078
395.	Carol	Amendolare	8808 Thornbury Lane	Huntersville	NC	28078
396.	Tina	Katsanos	6620 Cashion Rd	Huntersville	NC	28078
397.	David R	Orbaugh	14926 Chilgrove Lane	Huntersville	NC	28078
398.	Jonathan	Brown	7218 Chaddsley Dr	Huntersville	NC	28078
399.	Aaliyah	Moser	3116 Lamar St	Gastonia	NC	28052
400.	Anna	Lay	2110 Constance Ct	Dallas	NC	28034
401.	Jack	Barnhill	9596 Ravenscroft Ln Nw	Concord	NC	28027
402.	Lisa	Heenan	3333 Roberta Road	Concord	NC	28027
403.	Dianne	Miller	910 Woodbrook Pl Ne	Concord	NC	28025
404.	Hayden	Currier	1006 Ashley Glen Lane	Belmont	NC	28012
405.	Laura	Liska	6018 Thorburn Way	Belmont	NC	28012
406.	Walter	Kelley	112 Annas Way	Grandy	NC	27939
407.	James	Enosedu-	3911 Redbay Lane N	Wilson	NC	27896

408.	Lisa	Beamon	1117 Churchill Ave Sw	Wilson	NC	27893
409.	Brian	Haines	303 E Franklin St	Williamston	NC	27892
410.	C.	Davis		Pikeville	NC	27863
411.	William	Squires	3601 Rose Rd	Greenville	NC	27858
412.	Lora	Hylton	5 Upton Ct	Greenville	NC	27858
413.	Judith	Gill	1002 Treybrooke Circle, Apt 11	Greenville	NC	27834
414.	Louise	Youngson	4002 Hidcote Ct	Greenville	NC	27834
415.	John	Rawlings	4216 Barrington Drive	Greenville	NC	27834
416.	Gillian M	Iery	608 Short Spoon Circle	Rocky Mount	NC	27804
417.	Kevin	Smith	5121 Sourwood Rd	Durham	NC	27712
418.	Julia	Hoggard	3740 Swarthmore Rd,	Durham	NC	27707
419.	Alice	Hall	1617 Pinecrest Rd	Durham	NC	27705
420.	Cindy	Levey	8012 Clear Brook Dr	Raleigh	NC	27615
421.	Elaine	Metcalf	8424 Society Pl	Raleigh	NC	27615
422.	Nicholas	D'Avanzo	8512 Bell Grove Way	Raleigh	NC	27615
423.	Sara	Berlin	9428 Macon Rd	Raleigh	NC	27613
424.	Geraldine	Bowen	5101 Bridlington Ln	Raleigh	NC	27612
425.	Brittany	Iery	1116 Holburn Pl	Raleigh	NC	27610
426.	Sharlene	Laconte	1662 Brownairs Ln	Raleigh	NC	27610
427.	Camille	Warren	5413 Allen Dr	Raleigh	NC	27610
428.	April	Wilson	1704 Sorrell Brook Way	Raleigh	NC	27609
429.	Zoe	Dion	1829 Reaves Dr	Raleigh	NC	27608
430.	James	Nutt	2631 Fairview Rd	Raleigh	NC	27608
431.	Gail W	Obrien	2532 Ashley Ct.	Raleigh	NC	27607
432.	John	Sauls	3010 Grant Avenue	Raleigh	NC	27607
433.	Peg	Gjertsen	3347 Ridgecrest Ct	Raleigh	NC	27607
434.	Stef	Mendell	3225 Oak Grove Circle	Raleigh	NC	27607
435.	John	Allis	2905 Glen Burnie Dr	Raleigh	NC	27607
436.	James	Womble	2700 N Mayview Rd	Raleigh	NC	27607
437.	Tom	Winstead	7905 Tulip Cir	Raleigh	NC	27606
438.	Andreas	Batz	3137 Aileen Dr	Raleigh	NC	27606
439.	Timothy	Hinds	8621 Penny Road	Raleigh	NC	27606
440.	Mary	Lovelock	314 Polk St	Raleigh	NC	27604
441.	Susan	Jones	5028 Contender Dr	Raleigh	NC	27603

442.	Lynn	Lundgren	258 Mangia Dr	Wake Forest	NC	27587
443.	Julie	Nye	407 River Trace Dr	Rougemont	NC	27572
444.	Rick	Mchenry	499 Forest Lake Est	Moncure	NC	27559
445.	Dirk	Hart	2408 Hodge Rd Apt B6	Knightdale	NC	27545
446.	Jackie	Kosnik	1208 Amber Acres Ln	Knightdale	NC	27545
447.	Margaret	Sharp	112 Dobbs Place	Goldsboro	NC	27534
448.	Lisa	Lewis	112 Carrington Dr	Garner	NC	27529
449.	Anne	Miller	517 Cardena School Rd	Fuquay Varina	NC	27526
450.	Robert	Fowler	2129 Water Marsh Trl	Fuquay Varina	NC	27526
451.	Steve	Guess	4105 Olde Waverly Way	Fuquay Varina	NC	27526
452.	Betsey	Spencer	1226 Mount Olivet Church Rd	Franklinton	NC	27525
453.	Lonnie	Sliger	513 Bosworth Pl	Cary	NC	27519
454.	Sreekanth Rao	Belpu	2112 Bluff Oak Dr	Cary	NC	27519
455.	Diana	Diaz	3714 Stonebend Loop	Cary	NC	27518
456.	Bonnie	Clemens	3411 Wellington Ridge Loop	Cary	NC	27518
457.	Charles	Humble	910 Emory Drive	Chapel Hill	NC	27517
458.	Elizabeth	O'Nan	420 Hickory	Chapel Hill	NC	27517
459.	Breckany	Eckhardt	1547 Fountain Ridge Rd	Chapel Hill	NC	27517
460.	Kristie	Mather	709 Emory Dr	Chapel Hill	NC	27517
461.	Scott	Herman-Giddens	115 Edmister Lane	Chapel Hill	NC	27516
462.	Aleah	Walsh	204 Justice St	Chapel Hill	NC	27514
463.	Farshid	Bondar	128 Castlewood Dr	Cary	NC	27511
464.	Katherine	Baer	702 Bolin Creek Dr	Carrboro	NC	27510
465.	C	Rising	131 Lantern Way	Carrboro	NC	27510
466.	Stephen	Boletchek	1106 Elbury Dr	Apex	NC	27502
467.	Pamela	Humienny	161 Brax Carr Way	Angier	NC	27501
468.	David	Stubbs	3705 Brown Bark Drive	Greensboro	NC	27410
469.	Thomas L	Harmon Jr	1017 New Garden Road	Greensboro	NC	27410
470.	Aaron	Beversdorf	1509 Seminole Dr	Greensboro	NC	27408
471.	Randall	Bean	2217 Oak Hill Dr	Greensboro	NC	27408
472.	Karl	Fields	902 Carolina St	Greensboro	NC	27401
473.	Diana	Hales	528 Will Be Ln	Siler City	NC	27344
474.	Vicki	Walker	8016 Nc Highway 700	Ruffin	NC	27326
475.	Richard	Partridge	503 Brushy Creek Dr	Mc Leansville	NC	27301

476.	Wanda	Buckmaster	3895 Randolph Church Rd	Liberty	NC	27298
477.	William	Reavis	1105 Piney Grove Rd	Kernersville	NC	27284
478.	Sandra	Tucker	1004 Winesapp Dr	Kernersville	NC	27284
479.	Jayse	Sessi	1812 Steadfast Rd	Hillsborough	NC	27278
480.	Kay	Warren	627 Fieldale Pl	High Point	NC	27265
481.	Corinne	Benbow	2736 Cedar Falls Rd	Franklinville	NC	27248
482.	Anita	Doby	3138 Whitesell Dr	Burlington	NC	27215
483.	Sandra	Petteway	465 Collingswood Dr	Winston-Salem	NC	27127
484.	Craig	Collins	1660 Quillmark Rd	Winston Salem	NC	27127
485.	Kenneth	Hoglund	5037 Cobblestone Rd	Winston Salem	NC	27106
486.	Kimberly	Nelson	501 Commonwealth Dr	Winston Salem	NC	27104
487.	Bonnie	Smith	5224 Old Plantation Cir	Winston Salem	NC	27104
488.	Rainer	Heller	1130 Sidney Dr	Walnut Cove	NC	27052
489.	Jeffrey	Overbey	298 Birchwood Ln	Mocksville	NC	27028
490.	Hal	Pritchard	1107 Wilkins St	Mayodan	NC	27027
491.	Katherine	Williams	2102 Bryant St	Madison	NC	27025
492.	Kay	Smitherman	7712 Amber Forest Ln	Lewisville	NC	27023
493.	J	Chepeska	960 Hindenburg Ln	Germanton	NC	27019

PRELIMINARY: The Impact of Climate Risk Disclosure on Housing Search and Buying Dynamics: Evidence from a Nationwide Field Experiment with Redfin

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Abstract

Climate change presents new risks for every property in the United States. Due to the high cost and sometimes unavailability of location-specific property risk data, home buyers can greatly benefit from acquiring knowledge about these risks. To explore this, a large-scale nationwide natural field experiment was conducted through Redfin, to estimate the causal impact of providing home-specific flood risk information on the behavior of home buyers in terms of their search, bidding, and purchasing decisions. Within this experiment, Redfin randomly assigned 17.5 million users to receive information detailing the flood risk associated with the properties they searched for on the platform. Our analysis reveals several key findings: (1) the flood risk information influences every stage of the house buying process, including the initial search, bidding activities, and final purchase; (2) individuals are willing to make trade-offs concerning property amenities in order to own a property with a lower flood risk; and (3) the impact of the flood risk information is more pronounced for users conducting searches in high flood risk areas, but does not differ significantly between buyers in Red and Blue Counties. We found that this information resulted in changes to property prices and altered the market's hedonic equilibrium, suggesting that climate adaptation can be forward-thinking and proactive. Overall the experiment affected the purchasing decisions of approximately $135 billion of real estate.

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1 Introduction

The precipitously urgent threat of climate change endangers both economies and human well-being across the globe. The ways in which people adjust their actions in light of new climate change-related information ("new news") will play an increasingly crucial role in determining the societal consequences of carbon emissions (Nordhaus, 1993; Hinkel et al., 2014; Auffhammer, 2018; Kahn, 2020; IPCC, 2021). Adaptation to climate change can take place through various means. For instance, both businesses and individuals have the option to relocate to areas that offer greater protection from climate change-related disasters; this is often referred to as a "higher ground" approach. Once a secondary location is chosen, they can further safeguard themselves by investing capital in defensive measures (Barreca et al., 2016), such as installing air conditioning systems, property stilts, fire-resistant roofs, and sturdy windows.

Adaptations like these are predicated upon individuals' awareness of high-stakes climate risks associated with their properties, like flooding. However, an increasing body of evidence suggests that individuals in the United States are largely unaware of these risks (Bakkensen and Barrage, 2022; Wagner, 2022). This lack of awareness implies that properties located in high-flood risk areas may be significantly overvalued, with an aggregate overvaluation estimated at approximately $200 billion (Gourevitch et al., 2023). This exposure to climate change risk is expected to worsen over time as the exposure to climate change risk intensifies (Marcoux and Wagner, 2023).

Furthermore, flood-related events have caused more direct economic damage than any other type of natural disaster worldwide (Miller, Muir-Wood and Boissonnade, 2008). In the United States alone, these damages have exceeded $1 trillion since 1980 (NOAA, 2018; Wing et al., 2022), and some argue that the indirect economic damages could be greater than the direct effects (Hallegatte, 2008; Koks et al., 2015). These direct and indirect economic consequences are expected to escalate over time and might not be mitigated, even if society were to dramatically and immediately reduce carbon dioxide emissions (Dottori et al., 2018; Wobus et al., 2019). However, the human cost associated with flooding may be mitigable if people become aware of current and future risks and actively engage in adaptive behavioral changes (offsetting measures). By increasing understanding of the risks involved and taking appropriate action, individuals can potentially reduce the impact of flooding on their lives and livelihoods.

However, we do not yet know how individuals react to information about specific climate change-related risks associated with their investments. To explore this, we conducted a rigorous assessment to measure the causal impact of climate change information on searching

and buying decisions within the United States national housing market. We present the first large-scale experimental evidence offering insights into how precise flood risk information influences the behavior of home buyers across the United States. Our nationwide natural field experiment was conducted in late 2020 utilizing the Redfin website and application ("app"), involving the participation of a substantial user base (17.5 million individuals in total, evenly split between treatment and control groups). Using an online search brokerage such as Redfin is extremely common; according to the National Association of Realtors, 97% of U.S. home buyers use the internet for their search.

In an unexpected and unannounced manner, Redfin implemented randomized assignment of complete property-level flood information at the individual customer level. Randomization took place either at the device level or, if the visitor was registered with Redfin and logged in, at the individual level. For each property that a treated customer searched for, they were provided with two key pieces of information: a flood risk score ranging from 1 (minimal risk) to 10 (extreme risk), and the predicted likelihood of flooding over a 30-year period.[1] Customers were not able to filter their search results based on the flood score and sellers were blind to the information.[2] Apart from the flood risk information, all other features of the Redfin search experience remained consistent for both the treated and control groups. The flood risk information had no direct bearing on any search or pricing algorithms. Considering the significant market share held by Redfin during the experiment, our study generated variation in flood information within approximately 20% of the entire U.S. internet property market throughout the experiment's duration, resulting in nearly 400 million property views. This widespread participation allowed for robust analysis of the effects of flood information on searching and buying behavior within the housing market.

In our field experiment, the detailed flood risk information displayed on Redfin for every property in the United States was generated by First Street Foundation (FSF) (Bates et al., 2021). FSF is a registered 501(c)(3) non-profit organization that embraces an open science perspective and continuously updates and enhances its predictive model. It has been argued argued that FSF maps are more reliable and valid than those provided by FEMA for a number of reasons; indeed, considerable literature has highlighted the limitations of FEMA's mapping technology (Wing et al., 2018, 2022). Unlike FEMA's flood maps, which primarily serve the requirements of the National Flood Insurance Program, the FSF flood score is generated by a predictive model that incorporates not only past flood risks but also considers future climate change trends and pluvial and fluvial risks. The FSF predictive model has undergone peer review (Armal et al., 2020; First Street Foundation, 2020; Flavelle et al., 2020; Porter et al.,

[1] This flood risk information was positioned approximately two-thirds of the way down the viewing page for each property, regardless of whether the individual was using their phone or computer.

[2] During the experiment, no seller complained to Redfin about the flood risk information.

2021), and ongoing research efforts aim to validate its model predictions by leveraging recent natural disasters as natural experiments.[3]

Our main hypothesis is that the presence of property-level flood risk information will affect consumer behavior and housing market expectations. We posit that the availability of this information will lead to a reduced likelihood of individuals searching for, engaging with, and purchasing high flood risk homes. We develop and build on the closed form hedonic models presented in Epple (1987) and Giannias (1999). We show that moving from partial to full information on the distribution of flood risk on the supply side can affect demand. Our emphasis on one's updating beliefs about a place based asset's attributes draws on previous research on expectations and decision-making (Manski, 2004; Glaeser and Nathanson, 2017; Kuchler, Piazzesi and Stroebel, 2023). We are precise on the populations in our data that would be exposed to the new flood risk news to test this hypothesis. By testing how information shapes individuals' expectations, we aim to shed light on the role of information in facilitating adaptation to climate change. We believe that this is important, yet many existing climate adaptation models do not allow for such expectations' impact on behavior and welfare (they only examine the costs of experienced extreme events). Additionally, by studying how consumers trade off current and future climate risks against other housing attributes, our research contributes to the understanding of decision-making processes in the housing market, which we know little about.

The Redfin data allows us to observe the entire search process for both treated and control customers, as well as their interactions with the Redfin app for each property they visit, both before and during the field experiment. Our partnership with Redfin provides us with comprehensive insights into user behavior without the need of building a search model or imposing any structure. Redfin employs real estate agents, a practice that grants us access to detailed information on bidding behavior for all users who engage the services of a Redfin

[3]Several notable distinctions exist between FEMA's flood maps and FSF's maps. Firstly, FEMA's flood maps do not provide universal coverage across the United States, whereas the FSF flood score offers national coverage. Secondly, FSF's national model incorporates pluvial (precipitation) and fluvial (rivers, creeks) flooding simulation, which FEMA's maps do not include. Thirdly, FSF's model employs a Regionalized Flood Frequency Analysis (RFFA) approach that utilizes traditional statistical propensity matching techniques to model ungauged streams, river reaches, and regions with known gauged characteristics, thereby producing flow parameters with high confidence. Additionally, FSF's model incorporates environmental factors to assess recent and future changes in flood risk over a 30-year period. Fourthly, every local FEMA map must be agreed on by local politicians, businesses, and other organizations; in other words, the maps consider flood risks as defined by FEMA, but also political and business interests. In contrast, FSF models are not affected by local lobbying concerns. Lastly, the flood score data provided by FSF varies for each property in the United States, therefore providing more granular information than FEMA's version. FSF's hazard layer for a 1-in-100-year event (representing a 1% annual risk of occurrence) identifies approximately 1.7 times as many properties at risk compared to FEMA's Special Flood Hazard Area designation (First Street Foundation, 2020). These problems have been previously discussed as FEMA's flood maps are currently outdated for policymaker and consumer use (Mulder and Kousky, 2023), emphasizing the need for improved mapping technologies and updated flood risk information.

agent, both before and during the experiment. This vertical arrangement throughout the home searching and buying process enables a comprehensive analysis of how trusted information about the future, specifically related to flood risk, influences sorting and market outcomes in the real estate sector. Throughout the duration of the experiment, Redfin had an average of 1,757 lead agents per month across the country (Redfin, 2021). This wealth of agent data is instrumental in enhancing our understanding of bidding patterns and buying behavior.

Additionally, we augment our analysis by linking the Redfin data with market data on all U.S. property transactions. This allows us to examine the impact of information disclosure on the hedonic equilibrium of the housing market. By incorporating transaction data, we can assess how the availability of flood risk information influences the overall market dynamics and pricing. These data sources provide a novel and comprehensive foundation for our project, enabling us to accurately measure search dynamics, bidding behavior, and the impact of information disclosure on individuals' climate-risk adaptive behavior.

We report three main sets of results. First, we show how the randomized flood risk information changes people's search and engagement behavior, and how they learn and develop strategies to trade-off the flood disamenity in their search behavior. Second, we show how the randomized flood risk information changes people's bidding and buying behavior. Third, we show how the randomized flood risk information shifts the resulting hedonic housing price distribution.

First, our analysis revealed that the randomized flood risk information had a significant and meaningful impact on users' search behavior. Specifically, individuals who randomly received the flood risk information were more inclined to browse properties with lower flood risk compared to the control group. Among those who initially searched for homes with high flood risk, the treatment led to a 10% reduction in the flood risk of their searched homes after two months. The mechanism was that consumers learned which properties and locations had high flood risk and created a sense of which properties were to be avoided. Furthermore, the availability of detailed search data allowed us to gain insights into the trade-offs consumers make when searching for lower flood risk properties. We found that treated individuals were willing to trade-off certain property characteristics, such as neighborhood amenities like bike and walk score. This suggests that individuals actively and organically adjusted their search parameters and strategies in response to the flood risk information provided by Redfin.

Notably, our analysis also revealed that treated individuals who were searching for homes in zip codes different from their current residence, and thus potentially had limited local information and knowledge, exhibited a higher sensitivity to the flood risk information. This group showed a more substantial reduction of 23% in the flood risk of their searched homes.

Overall, these findings demonstrate that the provision of detailed flood risk information on Redfin influenced users' search behavior, leading to a greater focus on properties with lower flood risk. The analysis of trade-offs and the differential impact on individuals lacking local knowledge provide valuable insights into the behavioral responses to flood risk information.

Our search analysis revealed several interesting secondary findings. By employing machine learning techniques and estimating conditional average treatment effects, we discovered that 62% of all individuals were affected by the flood risk information, meaning they adjusted their searched flood score downward (i.e., searched for homes with lower flood scores). Among individuals who initially searched for homes with high flood risk, the proportion affected by the information increased to 85%. However, it is important to note that we failed to reject several null hypotheses. For instance, we found no difference in the treatment effects for individuals who Redfin identified as more likely to purchase a property. Additionally, individuals across all income levels exhibited similar behaviors in response to the flood risk information. Moreover, there was no difference in treatment effects regardless of the percentage of risky properties browsed by an individual according to FEMA's classification. This suggests that even for properties identified as high-flood risk by FEMA, the federal information fails to reach or to fully inform consumers about properties' actual flood risk; this may be due to a number of reasons, including the data's intelligibility and ease of access.

We also investigated whether there was a divide in responsiveness to the risk information based on political affiliation, using county-level Presidential voting patterns as a proxy (Dunlap, McCright and Yarosh, 2016). Interestingly, we found that Democrats and Republicans responded similarly to the flood risk information, both in terms of search behavior, engagement, and bidding behavior. In real estate markets, buyers are confronted with tradeoffs and our results suggest that across the political spectrum that a risk adaptation nudge induces, on average, the same behavioral response.

Furthermore, we examined whether users browsing from counties impacted by a recent flood event showed different treatment effects. However, our analysis revealed no significant difference in treatment effects for individuals browsing from these counties compared to others. Overall, these findings demonstrate that political affiliation, attitudes about climate change, income level, and recent flood events did not significantly impact users' responsiveness to the flood risk information.

Second, our analysis of the impact of flood risk information on physical engagement with homes revealed several interesting findings. While the flood risk information did not significantly change the overall probability of touring a property, placing an offer, or closing a bid (the extensive margin behaviors), it did have an effect on the bidding behavior at the intensive margin. Specifically, we observed that treated individuals who were initially browsing high

flood risk properties were more likely to make offers on properties with approximately 57% lower flood scores compared to their control counterparts. Treated individuals also exhibited a lower likelihood of placing offers on waterfront (but not coastal) properties. This aligns with the search behavior findings, indicating that individuals were willing to trade off flood risk for other desirable property attributes. The observed behavior can be interpreted as individuals "voting" with their actions, making choices that optimize their desired bundles of flood risk, other amenities, and tax considerations, akin to the principles of Charles Tiebout's theory of local public finance. Overall, these findings indicate that the flood risk information influenced what properties people chose to make offers on, as they sought to strike a balance between flood risk and other property attributes. The information also affected what properties the treated users ended up living in–i.e., lower flood risk properties.

Third, our analysis of the impact of the flood risk information on the hedonic equilibrium pricing of properties revealed significant findings. We leveraged the exogenous variation created by our randomization, which resulted in some homes having a higher percentage of treated users and others having a lower percentage. We found that a higher percentage of treated users per property led to a maximum penalty of nearly $7,000 for homes with high flooding risk across the United States (that are not located in the high-risk FEMA zones). The flood risk information had a tangible effect on property prices, with homes in high flood risk areas experiencing a decrease in value. This value can be construed as the value of best information available on the expectations of climate change impacting high-risk homes.[4]

Notably, these price decreases were observed for properties that were not considered risky by FEMA or not on the waterfront but were identified as risky by FSF. This suggests that the flood risk information provided by FSF, which incorporates future climate change trends and pluvial and fluvial risks, revealed previously unrecognized flood risks that were not captured by FEMA's maps. We found no heterogeneity in terms of the initial property price. This finding indicates that the impact of the flood risk information was consistent across different price ranges. This supports our earlier results, which showed that consumers of all income levels and from different geographic locations were affected by the flood risk information.

Overall, our findings from analyzing how the flood risk information impacted search, engagement, offers, and the housing market all the search provide evidence that the flood risk information through the "new news" mechanism. This mechanism influenced the hedonic equilibrium pricing of properties, with homes in high flood risk areas experiencing a reduction in value due to the newly revealed flood risks provided by FSF's predictive model. The three-month field experiment was very high stakes, in that the experiment affected the sales

[4]The ex-ante losses posed by climate change are lower if risk lovers (and maybe those with an edge in upgrading risky homes) are more likely to live in these homes. While we cannot directly observe these attributes of people, our evidence supports the claim of some "reshuffling".

of 8,150 high flood risk properties (average price = $653,000) totaling $5.3 billion. The information reduced the prices of these high flood risk properties by $57 million. The experiment affected the sales of 186,000 low flood risk properties (average price = $697,000) totaling $129.5 billion. Of this, the information increased prices of these low flood risk properties by around $100 million.

Our research addresses a crucial gap in the literature by conducting a field experiment that examines the impact of climate change information on the process of searching for and buying a home. While previous studies have used observational data or simulations to analyze climate change adaptation (Massetti and Mendelsohn, 2020),[5] our experiment leverages a unique opportunity to study the causal effects of flood risk information on consumer behavior.

Existing empirical literature has explored how climate risk is capitalized into local home prices, with mixed findings regarding the extent of capitalization.[6] In addition, such studies often assume that market participants are fully aware of the actual risk faced by properties.[7] In contrast, our research challenges this assumption by demonstrating that individuals are averse to high flood risk properties once they are exposed to the new information, leading to our new news hypothesis. The fact that the flood risk information influenced search behavior, bidding behavior, and hedonic equilibrium pricing suggests that the information was not previously known or fully incorporated into market outcomes.

[5]Despite the limitations of identification in previous research, there have been several notable papers that have highlighted the possibility that adaptation can be an important mechanism for reducing the marginal costs of climate change (Lemoine, 2018; Biardeau et al., 2020; Bento et al., 2020; Dundas and von Haefen, 2020; Aragón, Oteiza and Rud, 2021; Cruz Álvarez and Rossi-Hansberg, 2021; Davis et al., 2021; Heutel, Miller and Molitor, 2021; Kahn et al., 2021; Carleton et al., 2022). While there are non-experimental papers suggesting that flood maps (Hino and Burke, 2021; Weill, 2022) or flood disclosure requirements (Lee, 2021) may cause a change in property prices, these maps and disclosures are based on inferior FEMA maps that exclude new flood-risk science. We would not find treatment effects in our experiment if previous information sets were complete, available, and accessible, hence our new news interpretation.

[6]There are a range of studies suggesting weak or partial capitalization of flood risk into property values (Harrison, T. Smersh and Schwartz, 2001; Hallstrom and Smith, 2005; Bin et al., 2008; Daniel, Florax and Rietveld, 2009; Kousky, 2010; McKenzie and Levendis, 2010; Bin and Landry, 2013; Beltrán, Maddison and Elliott, 2018; Ortega and Taşpınar, 2018; Bernstein, Gustafson and Lewis, 2019; Eichholtz, Steiner and Yönder, 2019; Murfin and Spiegel, 2020; Baldauf, Garlappi and Yannelis, 2020; Gibson and Mullins, 2020; Keys and Mulder, 2020; Giglio et al., 2021; Hino and Burke, 2021). Some other studies often fail to detect significant negative effects, or may even find positive premiums (Bin and Kruse, 2006; Atreya and Czajkowski, 2019). The size of these capitalization effects partially depends on the mortgage lender and insurer behavior (Gallagher, 2014; Garbarino and Guin, 2021; Ouazad and Kahn, 2022), but also on the research design as it is unlikely that these studies thoroughly control for unobservables (Kurlat and Stroebel, 2015; Piazzesi, Schneider and Stroebel, 2020; Giglio, Kelly and Stroebel, 2021).

[7]Recent research has documented that the majority of households in high risk flood zones do not even have basic flooding insurance (Kousky et al., 2020; Wagner, 2022) and that many people are not flood insurance literate and do not understand their level of risk (Kousky and Netusil, 2023). Moreover, any adaptation measures that are taken, such as home elevation, is under-invested because benefits accrue too far into the future (Hovekamp and Wagner, 2023).

Our findings align with the growing body of literature that shows individuals have difficulty evaluating probabilities of infrequent hazards and may lack adequate information about risk (Slovic, 1987; Siegrist and Gutscher, 2006; Botzen, Aerts and van den Bergh, 2009; Bubeck, Botzen and Aerts, 2012; Wachinger et al., 2013; Mulder, 2021; Bakkensen and Barrage, 2022; Wagner, 2022). It also contributes to the understanding that incomplete information in hedonic models can hinder the estimation of the value of non-market amenities (Barwick et al., 2019; Bergman, Chan and Kapor, 2020; Ainsworth et al., 2023; Gao, Song and Timmins, 2023). Our research contributes to the field by providing empirical evidence on the role of readily-available, accurate flood risk information in shaping consumer behavior and market outcomes. In so doing, we shed light on the limitations of individuals' risk perception, and emphasize the need for improved information dissemination to facilitate better decision-making in the housing market.

Our research is also related to important papers that have estimated the adaptation costs of coastal flooding and storms (Balboni, 2019; Hong, Wang and Yang, 2020; Desmet et al., 2021; Fried, 2022; Bilal and Rossi-Hansberg, 2023). Our paper complements their work by adopting a microeconomic perspective focused on the assignment of heterogeneous home buyers to different homes. This matching process is more likely to feature less ex-post regret if home buyers are better informed about the emerging risks that specific homes face. Since a home purchase is typically considered a longer-term investment, expectations of emerging risks should play a key role in the search process. The results from our natural field experiment suggest that anticipating such risks is important for assessing the general equilibrium welfare effect of increased flooding, consistent with the other work on the climate change adaptation benefits of better weather forecasts (Molina and Rudik, 2022; Downey, Lind and Shrader, 2023; Shrader, Bakkensen and Lemoine, 2023).

First Street Foundation's flood risk scores, readily accessible and comparable on the Redfin app, nudged home buyers to update their beliefs about each property's emerging risks. Such updates to an individual's expectations affect their investment decisions. In this sense, our paper builds on an emerging nudging literature that seeks to improve the investment decisions made by those assigned to a treatment group. For example, Chetty, Hendren and Katz (2016), Chetty and Hendren (2018), and Bergman et al. (2019) attempt to steer people to neighborhoods, based on a model of upward mobility for helping such individuals anticipate what their child will gain from growing up there. Bottan and Perez-Truglia (2020) has a model to illustrate what individuals could gain from selling their homes. The FSF flood risk information in our paper should be thought of as a similar model-based information

intervention.[8]

We also build on the literature of housing search. There are not many papers that analyze the search behavior of home buyers because it is usually difficult to observe home buyers' behavior or ascertain the data from search companies. The only paper coming close to the level of data we have is Piazzesi, Schneider and Stroebel (2020).[9] They have data from trulia.com, where they examine 43,000 email alerts from only one metro area in the U.S. (Bay Area) and match their data with a heterogeneous housing search model. However, we have data from the whole of the U.S., we have all of the customers' search, engagement, and offer data (400 million properties searched), we have this data matched to the MLS, and we have randomized information on an important academic and policy-relevant attribute: flood risk. We also then match the experiment to different search populations to test the mechanism of behavior change: "new news" on flood risk.

Our field experiment shows that a new piece of information on climate risk allows investors to update their beliefs and vote with their feet (Banzhaf and Walsh, 2008). Our treatment effect estimates indicate the conditional average response to this "new news." If this information is already known, or if it is ignored, then we should see no treatment effect. Thus, we view our field experiment estimates to be important because they convey how home investors respond to low cost yet salient information about emerging risks.[10] We view our research as a first step in an ambitious research agenda that examines the welfare effects of societal learning about emerging climate risks.

The paper is structured as follows: Section 2 describes the background and the natural field experiment, and section 3 states the data used and the empirical design. Section 4 analyzes the field experiment, section 5 analyzes the impact of the information on the housing market, and finally, section 6 concludes.

[8]Our main results are also consistent with other papers showing that it is possible to change location choices and welfare using information in a field experiment (Bergman, Chan and Kapor, 2020; Ainsworth et al., 2023). These two papers focus on school choice and find that even in the presence of public information on school value add, consumers still have biased beliefs on location choice. In our case of flooding, there was no public information on flooding at the property level in the U.S., so our consumers were not necessarily biased given their information sets. What we estimate is the effect of new flooding news on location choice.

[9]There are other papers that use Google search/trends data, but they do not observe individuals and their search strategies (Wu and Brynjolfsson, 2015; Møller et al., 2023), or a set of selected consumers are surveyed (Genesove and Han, 2012).

[10]Since the field experiment was completed, the flood risk information has been rolled out to all consumers on Redfin and other online property marketplaces (e.g., Zillow, Realtor). Redfin also provides this information on other risks that have been known to have incomplete markets, such as wildfire risk (Baylis, Boomhower et al., 2023; Boomhower, Fowlie and Plantinga, 2023).

2 The Field Experiment

We present evidence of a nationwide field experiment randomized at the individual (i.e., platform user) level. It is a natural field experiment since users were not aware of the experiment and there was no selection into the experiment (Harrison and List, 2004). The field experiment was conducted through one of the largest full-service real estate brokerages in the United States, i.e., Redfin, that had more than 47 million average monthly users in 2021.[11] Redfin acts as a full-service real estate brokerage that pairs agents with people to sell their current homes or buy new ones. We will first provide the background to the treatment and then describe the design of the field experiment.

2.1 Background

The non-profit organization First Street Foundation (FSF) created the Flood Factor Score as a tool to predict a property's current and future risk of flooding. It is currently selling its prediction model's forecasts to several agencies in the U.S. government and to the GSEs, but also now makes the flood risk data for every U.S. residential property freely and publicly available.[12]

FSF models flooding from fluvial, pluvial, and coastal sources (tidal and surge) while also integrating current and future environmental considerations, all at a property level (Bates et al., 2021). Notably, the model provides the ability to capture flooding in areas of the country that do not have a gauge, are under-gauged, or are outside of typical flood risk models' purview. The method used to create that flood risk relies on a novel Regionalized Flood Frequency Analysis (RFFA) approach that makes use of traditional statistical propensity matching techniques to model the characteristics of ungauged streams, river reaches, and country with known gauged characteristics to produce likely flow parameters with high confidence. Additionally, a core component of the model is the ability to also include pluvial (rainfall) events as probabilistic flood risks with depths and associated return periods (First Street

[11] The actual start date of the experiment was October 1st, 2020. At that point in time, the macroeconomic environment was between the COVID-19 peaks and a stable economy.

[12] FSF has received funding from donors such as 2040 Foundation, Hightide, and Grantham.

Foundation, 2020).[13]

The Flood Factor Score is a 1 to 10 score presented as (a) minimal (1), (b) minor (2), (c) moderate (3-4), (d) major (5-6), (e) severe (7-8), and (f) extreme (9-10) flood risk. It notifies the individual about a property's potential of risk flooding at least once over a life of a 30-year mortgage signed today. The flood risk score is two-dimensional, where a high flood score implies that a property has a larger likelihood and severity of flooding over the next 30 years (see Figure A1). The score incorporates the current and future risk of all major types of flooding (and their combinations), including high-intensity rainfall, overflowing rivers and streams, high tides, and coastal storm surges. The score can vary considerably for properties in the same neighborhood due to local flood dynamics, such as property differences in elevation, proximity to water bodies, and proximity to flood risk reduction projects (First Street Foundation, 2020). This information is the most objective the individual can receive on the flood risk of a property.[14]

2.2 The Design of the Field Experiment

In this field experiment, Redfin randomly assigned new and existing Redfin users to either the treatment group, in which they were shown a Flood Factor Score section on every on-the-market and off-the-market property listing page they visited, or to a control group without a Flood Score section. Figure 1 presents the experiment experience using a mobile device for both the control and treatment groups within a property page that has a flood score of 6 (i.e., major flood risk).[15] The control group (Figure 1(a)) did not see the flood risk section while scrolling a property page, whereas the treatment group (Figure 1(b)) had full access to it.[16]

[13] An open science process has led to the creation of this FSF model. Many scientists have contributed to the model, and they are part of an iterative scientific process refining the model and testing its accuracy. The risk scores are reported to the public without confidence intervals. The scientific community continues to debate the merits of educating the public about current and future risks without overloading the public with nuances regarding model uncertainty regarding the veracity of key assumptions (Cooper et al., 2022). Any predictive model of flood risk will induce both Type 1 and Type 2 errors. There will be some locations where the model will over-state the risk and there will be other areas where the model will under-state the true risk (Bates, 2023), although the model attempts to reduce false positives by using the conservative climate scenario SSP2-45 instead of the extreme scenario of SSP5-85.

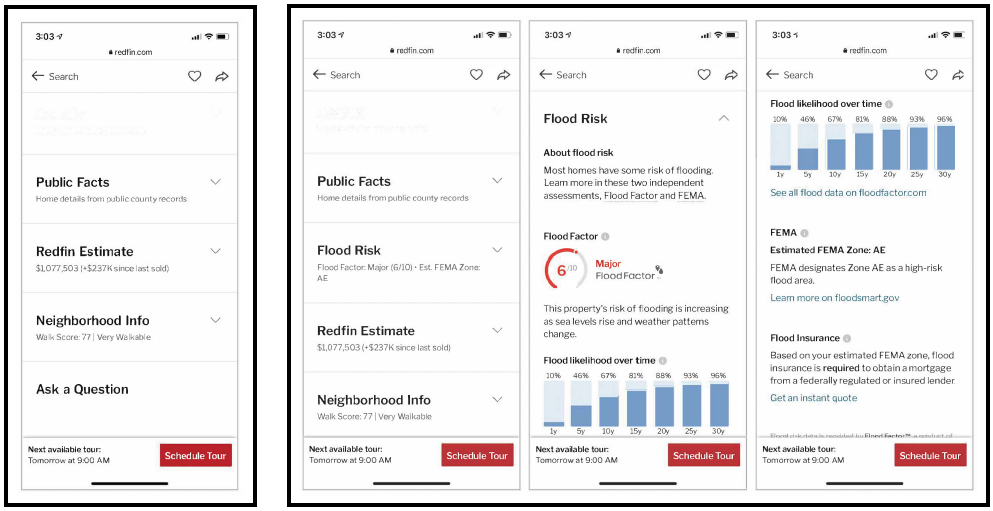
[14] We do not test whether the individuals in our experiment fully update their beliefs or the other mechanisms as to why this information might work in changing behavior.

[15] Figure A2 presents the experiment experience for treated users using a desktop. As another example, Figure A3 shows the visual experience using a mobile device for a property page with a flood score of 4 (i.e., moderate flood risk)

[16] Figure A4 shows the color and labels Redfin used to show a property's flood score within the flood risk section, ranging from a flood score of 1 to 10.

Figure 1: The Visual Experience for the Treatment Group and the Control Groups

(a) Control *(b) Treatment*



The flood risk section was placed after the property's public facts and neighborhood information. When a user clicked on the flood risk section, they viewed an "about flood risk" paragraph; the colored (i.e., from light green to dark red depending on the risk) Flood Factor Score; the flood likelihood of the property over time (i.e., 1, 5, 10, 15, 20, 25, and 30 years);[17] the home's FEMA official flood risk zone if available, and flood insurance information. We can test whether the FEMA flood risk zones have an impact on treated individuals in the study since some individuals searched for properties within a FEMA flood zone before the experiment began. We find no major differences in treatment effects for those searching in and out of a FEMA flood zone.

The Redfin users in the treatment group always see the main flood risk number as they scroll down the page for every property that they search for, but they can ignore the more in-depth flood risk probabilities over time by not clicking on the tab (that unfolds the full 30 year flood risk information). They choose their own intensity of engagement with the provided information. Redfin did not nudge the home searchers to focus on this information or advertise the new information feature to consumers (they had to organically discover it on their own with no help in learning about the flood risk). It is included as an additional piece of information about the home. Throughout the searcher's web page experience, we observe their full organic search activity (for all those in both treatment and control groups). The flood risk information covered 99.9% of the U.S. housing market (First Street Foundation, 2020).

[17] Research by Keller, Siegrist and Gutscher (2006) suggests that providing flood risk probabilities over 30 years as opposed to one year helps individuals more make informed decisions.

2.3 Demand Side Hypotheses Through the Lens of a Hedonic Housing Assignment Model

A parametric closed form hedonic assignment model allows us to concisely state our paper's core hypotheses. At any point in time, there is a hedonic equilibrium real estate pricing gradient that maps each home's attributes into a market price. In equilibrium, every home is occupied and given market prices nobody wants to trade homes.

To simplify the exposition, we model climate change as a one time change in the distribution of risk across geographic locations. In our model, there is a "before" and an "after" period. The assumption that "climate change" is a one time surprise allows us to sidestep the modeling challenge of incorporating expectations into a closed form hedonic assignment model.[18]

If climate change increases the risk that a given home faces and if this risk is not common knowledge, then the buyer may subsequently regret her investment. If climate increases the risk that different homes face and if this knowledge is common knowledge, then in the hedonic equilibrium those who choose to live in riskier homes will be compensated through lower prices. In our empirical work below, only a subset of buyers are informed about the new risks. Below, we sketch out the implications of all three cases.

To simplify the algebra below, we focus on one attribute of housing namely flood safety. We assume that consumers purchase one property and the numeraire good X. Properties are assumed to vary only with respect to the local flood safety level F.[19] Consumers only differ by their preference for flood safety (α). It is assumed to be normally distributed with mean $\bar{\alpha}$ and standard deviation σ_α.

We consider the case when the supply of properties is exogenous, and their perceived safety follows the distribution $N(\bar{f}, \sigma_f^2)$. A Consumer's bid depends on the safety of the property, denoted by h. Specifically, $h = \frac{f-\bar{f}}{\sigma_f}$, where f is the perceived level of safety. Due to the transformation, h follows a standard normal distribution. . Consumers do not have full information on $\bar{f}$ and σ_f^2. Their perceived safety of each property depends on the actual

[18] We recognize that different people will have different baseline beliefs about emerging climate risks. Some may embrace the FEMA maps as delineating the risk. Others may rely on their past experience in the areas they have lived. Some may be skeptical about whether the risk of extreme events is rising. Those who are most surprised by the "new news" of the FSF nudge and those who become aware of now "known unknowns" are likely to value this forecast information the most. Future hedonic research can follow Severen, Costello and Deschenes (2018) by integrating the "forward-looking Ricardian approach" into closed form hedonic assignment models.

[19] We assume higher flood risk lowers utility but do not parse out the reasons as to why it causes a loss. There are at least five reasons why higher flood risk could cause a utility loss: (1) people think they will die or be physically hurt in the flood; (2) people think that flooding will destroy their home; (3) people think that flood areas will experience rising insurance prices over time; (4) people think they will lose time and resources cleaning up after flood after flood; (5) people think they will spend more money offsetting flood risk to reduce flood damage in high FSF score areas.

safety of the property and their belief on climate change ($\bar{f}$ and σ_f^2).

Following the closed form hedonic models presented in Epple (1987) and Giannias (1999), we assume consumers' utility function takes the following form:

$$U(h,x,\alpha) = \epsilon + \gamma_1 h + \gamma_2 \alpha h + \frac{1}{2}\rho h^2 + \omega x h + \theta x \tag{1}$$

and the budget constraint is given by $x + P(h) \leq I$, where $P(h) = \pi_0 + \pi_1 h$ is the equilibrium price function. Then the utility maximization problem can be written as:

$$max_h U(h, I - P(h), \alpha) \tag{2}$$

We substitute $P(h)$ into the utility function and the first order condition is given by:

$$(\gamma_1 + \gamma_2\alpha + \omega I - \omega\pi_0 - \theta\pi_1) + (\rho - 2\omega\pi_1)h = 0 \tag{3}$$

The demand for safety is $h = \frac{(\gamma_1+\gamma_2\alpha+\omega I-\omega\pi_0-\theta\pi_1)}{(2\omega\pi_1-\rho)}$. Because h is linear in α, which is normally distributed, the aggregate demand for safety is also normally distributed. Its mean is $\frac{(\gamma_1+\gamma_2\bar{\alpha}+\omega I-\omega\pi_0-\theta\pi_1)}{(2\omega\pi_1-\rho)}$ and its variance is $\frac{\gamma_2^2\sigma_\alpha^2}{(2\omega\pi_1-\rho)^2}$.

In equilibrium, aggregate demand will equal aggregate supply. This is equivalent to:

$$\frac{\gamma_1 + \gamma_2\bar{\alpha} + \omega I - \omega\pi_0 - \theta\pi_1}{2\omega\pi_1 - \rho} = 0 \tag{4}$$

$$\frac{\gamma_2\sigma_\alpha}{2\omega\pi_1 - \rho} = 1 \tag{5}$$

From the above equations, we know the gradient of the hedonic function $\pi_1 = \frac{1}{2\omega}(\gamma_2\sigma_\alpha + \rho)$ and the intercept $\pi_0 = \frac{1}{\omega}(\gamma_1 + \gamma_2\bar{\alpha} + \omega I - \frac{\theta}{2\omega}(\gamma_2\sigma_\alpha + \rho)$. When we transform the unit to the actual safety level, the hedonic pricing function is given by:

$$P_0(f) = (\pi_0 - \frac{\pi_1\bar{f}}{\sigma_1}) + \frac{\pi_1}{\sigma_f}f \tag{6}$$

Proposition 1: Due to climate change, the distribution of flood safety shifts such that; $\bar{f}$ decreases to $\bar{f}'$ and σ_f^2 increases to $\sigma_f'^2$. When consumers have full information about this new distribution, properties whose safety has declined will lose value and vice-versa.[20]

[20]To simplify the discussion, we assume that climate change leads to a one time shift in the distribution of safety.

Consumers reevaluate the safety level of each property based on their new information on climate change. Denote the perceived safety level with and without the new information by h_0 and h_1, respectively. The new hedonic price function will have a smaller gradient (replace σ_f by σ_f' in equation (6)) and a larger intercept (replace $\bar{f}$ by $\bar{f}'$). Denote this new hedonic function by $P_1(f) = \pi_0' + \pi_1' f$. Denote the relative safety level with and without climate change by h_0 and h_1, respectively. Then we calculate the price difference of each property with a given safety level f_0 at the new versus the old equilibrium:

$$P_1(f_0) - P_0(f_0) = \left(\frac{\pi_1 \bar{f}}{\sigma_f} - \frac{\pi_1 \bar{f}'}{\sigma_{f'}}\right) - \left(\frac{\pi_1}{\sigma_f} - \frac{\pi_1}{\sigma_{f'}}\right) f_0 = \frac{f_0 - \bar{f}'}{\sigma_{f'}} - \frac{f_0 - \bar{f}}{\sigma_f} \equiv h_1 - h_0 \tag{7}$$

Consumers reevaluate the safety level of each property based on their new information on climate change. The above equation shows that for properties whose safety level is previously underestimated ($h_0 < h_1$), their prices at the new equilibrium are higher. In contrast, consumers are willing to pay less for properties that are revealed to be riskier due to climate change.

Now suppose only k% of the population (randomly selected) know that the true distribution of safety is $N(\bar{f}', \sigma_f'^2)$. Consumers' utility depends on the perceived safety level and the price of the property. For those without the new information on climate change, their perceived safety is h_0 despite the actual safety level h_1. These consumers face the following maximization problem, where P_2 denotes the price equilibrium function in this economy without full information:

$$Max_{h_0} U(h_0, I - P_2(h_1), \alpha) \tag{8}$$

while consumers with updated information solve the following problem:

$$Max_{h_1} U(h_1, I - P_2(h_1), \alpha) \tag{9}$$

Note that from the definition of h_1 and h_0, we can rewrite $h_0 = \frac{h_1 \sigma_f' + \bar{f}' - \bar{f}}{\sigma_f}$, which would allow us to solve the first case.

Proposition 2: Consider two consumers with the same risk preference, and only consumer A knows the true climate change induced distribution of the safety of properties. Then consumer A bids higher for properties that are safer under climate change and bids lower for the riskier properties.

Suppose they both bid for a property with safety level f_0, whose relative safety is h0 and

h1 respectively before and after climate change. Assume $h_1 > h_0$ (i.e., a safer property under climate change). Their bids can be described as the maximum δ that satisfies the following:

$$U(h, I-\delta, \alpha) \geq U_0 \tag{10}$$

where U_0 is a given utility level. By substitution, the bid function can be written as:

$$\delta \leq \frac{\epsilon + \gamma_1 h + \gamma_2 \alpha h + \frac{1}{2}\rho h^2 + \omega I h + \theta I}{\omega I h + \theta} \tag{11}$$

The bid increase as the perceived safety h increases (given that all the coefficients are assumed to be positive). When $h_1 > h_0$, consumer A would bid higher for the property, given that α is the same for both consumers.[21]

Note that if nobody has updated their information ($k = 0$), the above equation is the same as the baseline case in equation (6). If everyone has updated their information ($k = 1$), this equation is the same as the case when everyone gets the information simultaneously (i.e. substitute the new mean and variance into equation (6)). As k increases, the hedonic price gradient moves gradually from the baseline case to the full information case (see Proposition 1).

[21] The maximization problems in equations (8) and (9) can be solved by finding the first order conditions. From the first order conditions, the demand for safety for the two groups of consumers can be written as, where π_1'' and π_0'' are coefficients of $P_2(h)$:

$$h_0 = \frac{(\gamma_1 + \gamma_2\alpha)\frac{\sigma_f'}{\sigma_f} + (\frac{\rho\sigma_f'}{\sigma_f^2} - \frac{\omega\pi_1''}{\sigma_f})(\bar{f}' - \bar{f}) + \omega(I - \pi_0'')\frac{\sigma_f'}{\sigma_f} - \theta\pi_1''}{2\omega\pi_1''\frac{\sigma_f'}{\sigma_f} - \rho(\frac{\sigma_f'}{\sigma_f})^2} \tag{12}$$

$$h_1 = \frac{\gamma_1 + \gamma_2\alpha + \omega I - \omega\pi_0'' - \theta\pi_1''}{2\omega\pi_1'' - \rho} \tag{13}$$

Since both h_0 and h_1 are linear in α are normally distributed, the aggregate demand is $(1-k)h_0 + kh_1$, which is thus also normal. Its mean is $(1-k)E[h_0] + kE[h_1]$ and its variance is $(1-k)^2 Var(h_0) + k^2 Var(h_1)$, assuming the aggregate demand from the two groups are independent. At equilibrium, aggregate demand should equal aggregate supply of relative safety h_1, which follows a standard normal distribution. Thus, $(1-k)h_0 + kh_1$ should have a mean 0 and a variance 1. We can solve for π_1'' from the following equation and plug it back to solve for π_0'':

$$(1-k)^2 * \frac{\gamma_2\sigma_a}{2\omega\pi_1'' - \rho\frac{\sigma_f'}{\sigma_f}} + k^2 * \frac{\gamma_2\sigma_a}{2\omega\pi_1'' - \rho} = 1 \tag{14}$$

Once we find π_1'' and π_0'', we can transform in the same way as before to obtain the hedonic pricing gradient as a function of the absolute safety level:

$$P(f) = \left(\pi_0'' - \frac{\pi_1''\bar{f}'}{\sigma_f'}\right) + \frac{\pi_1''}{\sigma_1'}f \tag{15}$$

Proposition 3: Consumers with a greater preference for safety have a higher willingness to pay for new information.

For a given consumer, we have shown their demand for safety in both cases when the new information is available. Suppose the utility-maximizing safety level is h_1 and h_0 when this consumer knows or does not know the information respectably. The loss in consumer surplus (in dollar value) can be found by solving for Δx in the following equation:

$$U(h_0, I - P_2(h_0) + \Delta x, \alpha) = U(h_1, I - P_1(h_1) + \Delta x, \alpha) \tag{16}$$

For simplicity, we consider the case that only the mean of the supply of safety decreases, and the standard deviation does not change. By substituting and rearranging, Δx can be shown to be a decreasing function of h_0 and thus an increasing function of α (under the assumption that the coefficients in the utility function are positive, including γ_2).

Our three propositions suggest that safety is currently undervalued due to a lack of information on risk, but once that information on risk becomes available (i.e., new news) people act on it and value it, and those with a higher preference for safety will act on it even more.

This "new news" hypothesis allows us to be a bit more precise about who is expected to change their behavior as a result of this information. This hypothesis predicts that the following consumers will be affected by the new information:

(a) consumers searching for properties that are in-land (i.e., not coastal) but have high flood risk defined by FSF;

(b) consumers searching for properties that are in-land (i.e., not coastal) but close to a waterfront (e.g., river, lake) and have high flood risk defined by FSF; and

(c) consumers searching for properties that are not defined risky by FEMA by are on the coast.

For populations (a), (b) and (c), the information will revise their flood risk beliefs upward and will search and buy lower flood risk homes, as per propositions 1 and 2. We believe that the central tenet and test of this new news hypothesis is the following two groups of consumers will be less affected by the FSF flood risk information:

(d) consumers searching for properties in already FEMA designated as high risk; and

(e) consumers searching for properties with zero to low risk.

Population (d) should already be informed about the flood risks because of current information dissemination and because you need flood insurance to obtain a mortgage in these FEMA areas.[22] These are the predictions for the new news hypothesis on search and offers.

Based on our propositions and predictions, property prices will change their gradient w.r.t. flood risk. The prices on FSF high flood risk but FEMA low/no risk properties will decrease through a lack of demand (either a lower willingness to pay by consumers or a lack of offers overall that will reduce competition and reduce prices) and that the prices on FSF low risk properties will go up because of an increase in demand (either a higher willingness to pay by consumers or an increase in competition for the property that will drive up prices).

2.4 Implementation of the Field Experiment

The nationwide natural experiment enrolled 17,455,506 unique users (8,730,329 users in the treatment group and 8,725,177 in the control arm) for 12 weeks between October 12th, 2020 and January 3rd, 2021.[23] The number of unique users in the field experiment represented approximately 41% of average monthly unique Redfin users in 2020 (Redfin, 2020). The experiment enrolled both new users (5,827,406 in the control group and 5,832,461 in the treatment group) browsing the website and app and existing ones (2,877,250 in the control arm and 2,876,760 in the treatment arm) that have been browsing the website and app before entering to an experiment arm. Of these individuals, we have 1,328,785 (664,352 in the control arm and 664,433 in the treatment arm) individuals who are registered Redfin users. We focus on this registered sample because they have a higher likelihood of actually purchasing a home and we observe their behavior for a longer time frame.[24]

2.4.1 Randomization Architecture

Redfin sets up randomized experiments by creating independent cohorts of equal size. Its cohort assignment is random, independent, and sticky. The randomness element ensures that users have an equal probability of being assigned to any cohort. The independence criterion ensures that a user's cohort assignment in one experiment does not influence their assignment in subsequent experiments. Stickiness guarantees that once a user has been allocated to a specific cohort, they remain within that group throughout the experiment.

Redfin assigns users to treatment and control cohorts through a hashing algorithm, con-

[22] We recognize that there still might not be full information from the FEMA high flood risk ratings, but there should be less of an effect for this population than populations (a) to (c).

[23] We had full access to the data from Redfin for one week before the first day of the experiment, starting on October 6th.

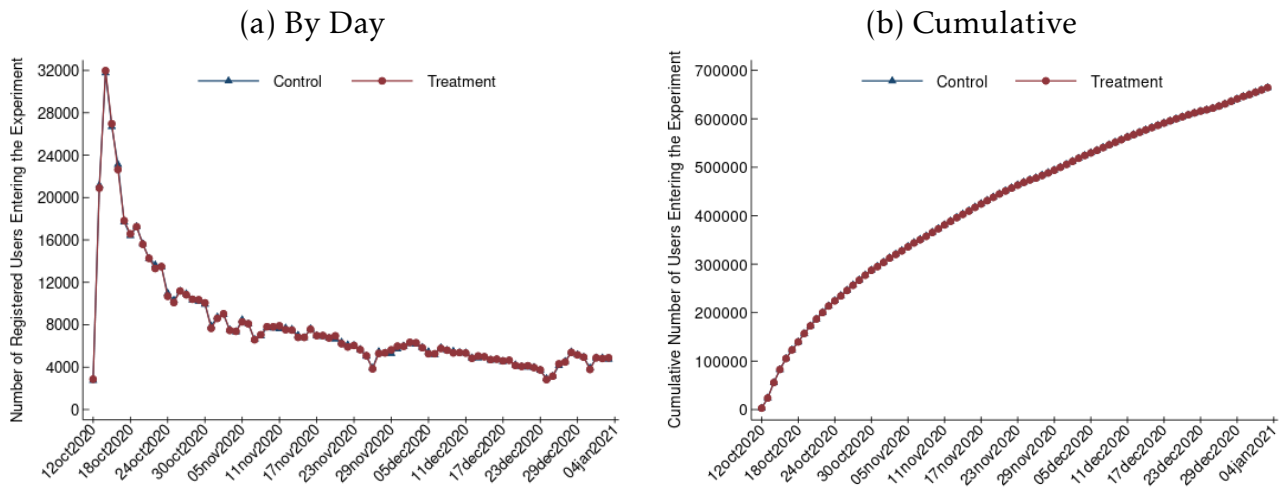
[24] Redfin uses registered users to understand the long-term impact of their experiments.

sidering both the unique experiment ID and the unique user ID (i.e., an HTTP cookie). The algorithm begins by first hashing the experiment ID using the SHA-1 algorithm. Following this, the hashed experiment ID is combined with the user's unique ID, which is then hashed via the MD5 algorithm. The assignment of users to a specific cohort is then conducted by dividing the MD5 hashed identifier by the total number of cohorts (two in our case) and using the remainder from this operation to determine the user's assignment (i.e., treatment and control).

Given the cohort assignment, Redfin employs a system known as "Bouncer flags" to further control the enrollment of users into experiments. Bouncer flags can be activated for any proportion of public users (approximately 40% for our experiment), and the users under these flags are designated as enrolled users. Whenever a user browses Redfin, the bouncer flag first identifies a user's cohort and quickly decides the specific experience a user will view while browsing listings. This stage ensures the stickiness of users within each experiment.

Individuals entered the experiment sequentially through time (see Figure 2) by first checking whether an individual's HTTP cookie (i.e., the user identifier) has been assigned to the experiment and, if not, randomly assigning the user to a treatment arm until the target number of daily experiment assignments was reached. A variable number of individuals entered the experiment each day; on average, 103,902 individuals per group entered each day. Once an individual entered the experiment, they remained in the same group until the end of the experiment. After the experiment finished, every individual had access to the Flood Factor section for each property they viewed. See Figure A5 for the whole 17.5 million Redfin customers entering the experiment.

Figure 2: Number of Registered Users Entering the Experiment



3 Data and Empirical Strategy

In this section, we describe the data and its sources, the estimation strategy, and then show the randomization balance tests.

3.1 Data

The data sets used in this paper come from multiple sources, arising either from browsing, touring, and bidding data generated by Redfin, multiple listing service and county records, or publicly available data sets, such as census estimates. The web data-generating process was the following.[25] Every time an individual clicked on a home, the website collected the following information about the individual's home session activity.

Property views data. Once a user clicks and opens a new property, a single data point was generated with the following columns: the user's anonymized unique ID and an anonymized login ID;[26] the timestamp when the property view began; whether the action was conducted by a *bot*; whether the action was conducted via a cellphone or a desktop; the zip code and its accuracy (in *kms.*) from where the user conducted the search; the flood risk score of the property; the list price of the property at that point in time; the number of bedrooms and bathrooms of the property; the approximate square feet of the property; the zip code where the property is located; whether the property is new construction; whether the property is a short sale;[27] the year when the property was built; and the walking, transit, and bike scores where the property is located.[28] We organize this dataset as a panel where our observation unit is the user at the day level.

Engagement data. This data section provides information about the actions a user conducted within a property page. That is, whenever a user scrolled or clicked a feature within a property page, a single data point was generated with the following information: the user's anonymized unique ID and an anonymized login ID; the timestamp of the action; whether the action was conducted by a *bot*; whether the action was conducted via a cellphone or a desktop; and the engaged action conducted (e.g., clicked on the pictures, "favorited" a house,

[25] An individual accessing the website through a computer, phone, or tablet can browse property listings on the market and the entire stock of homes.

[26] The "unique ID" follows each individual across time, and it is created the first time a browser visits our partner's webpage. The "login ID" is created when an individual decides to register to the platform.

[27] A short sale is a sale that takes place when a financially distressed homeowner sells their property for less than the amount due on the mortgage. The buyer of the property is a third party (not the bank), and all proceeds from the sale go to the lender.

[28] These scores are supplied by Walk Score, and they range from 0 - 100. Walk Score measures the walkability of any address, Transit Score measures access to public transit, and Bike Score measures whether a location is good for biking. A higher score represents a better measure for each category.

conducted a tour, etc.). This data also contains the seconds spent per session, the number of sessions, and the number of total and unique listings views, among other variables. In this sense, we have multiple single data points for every property view that a user conducted. As mentioned above, we organize this dataset as a panel where our observation unit is the individual at the day level.

Touring, bidding, and closing data. A unique feature of our study is that we can follow individuals through each step of the home buying experience: the search; the property tour; the bid; and the closing process for a property. A single data point is generated every time a user tours a house, places a bid, or closes a deal. These observations contain the user's anonymized unique ID and an anonymized login ID; the day on which action was done (i.e., either touring the property, placing an offer to a property, or closing the deal); the property ID that allows knowing characteristics of the property; the offer price and characteristics of the offer and close; and characteristics of the tour. We organize this dataset as a panel where our observation unit is the user at the touring, bidding, or closing level.

Multiple Listings Service Data. Multiple Listing Service data comes from Redfin and covers those regions where the brokerage operates.[29]. Each listing contains unique listing and property identifiers, sale date, sale price, listing added and end date, listing price, number of bedrooms, year built of the property, approximate square feet of the property, number of bedrooms, whether the listing is new construction, geographic characteristics of the property, among other variables.

3.2 The Empirical Strategy

Our objective is to estimate whether the randomized disclosure of flood risk information about a property affects the behavior of individuals throughout the home buying search process. To do this, we rely on three estimators.

Average Treatment Effect (ATE) across post-treatment time points. We estimate the ATE of disclosing a property's flood risk information on the behavior of individuals throughout the home buying process. In our dataset, our unit of observation is the user at the day level. Users are organized as a panel, where every row of the data set is the average value of a user in a given day. We implement an estimator with the following functional form:

$$y_{it} = \beta_0 + \beta_1 I_{it} + \beta_2 D_i + \beta_3 (I_{it} * D_i) + u_{it} \tag{17}$$

Where, y_{it} is the average outcome of individual, i, during day, t. We will focus on the

[29]Redfin currently operates in every state in the United States except for North Dakota. For a complete list of the local markets where Redfin operates, see the following link.

flood risk score of the property as the outcome variable. I_{it} is an indicator that takes 1 if the observation occurs after individual, i, was first treated. The binary treatment indicator for individual, i, is $D \in \{0;1\}$. This estimator takes the form of a classic difference-in-differences to take advantage of the experiment design and deal with a potential regression to the mean situation commonly observed in longitudinal experiments (Twisk et al., 2018). β_3 in equation 17 provides an unbiased estimate of the ATE and randomization provides internal validity of the estimate. Standard errors are clustered at the individual level. This estimate will demonstrate the impact of the flood score information across all individuals in the experiment.

Conditional Average Treatment Effect (CATE) across post-treatment time points. We use a similar estimator as in 17 with an interaction term on an observed covariate, $X \in \mathbb{R}$, in the following way:

$$y_{it} = \beta_0 + \beta_1 (I_{it} * X_i) + \beta_2 (D_i * X_i) + \beta_3 (I_{it} * D_i * X_i) + u_{it} \tag{18}$$

Where, X_i, represents the covariate of individual, i. For this estimator, we focus our attention on using the baseline average flood risk of all the houses viewed before the experiment begins for individual, i, as a covariate, X_i. This estimator differs from equation (17) above, since the information might have a very different impact across the different types of flood risk that an individual is exposed to. This specification is going to be our main specification to understand how the effects of the information impact people who are searching and buying low, medium, and high risk flood properties, and to test our new news hypothesis.

Average Treatment Effect at any post-treatment time point. We use the following estimator to obtain an estimate of the average treatment effect of disclosing a property's flood risk information on the behavior of individuals at *any* point throughout the home buying process, and it allows us to understand whether treated users kept adjusting their search patterns as time passed. Relative to the estimator of equation 17, this estimator provides a flexible, dynamic functional form across time, commonly known as a difference-in-differences event-time study:

$$y_{it} = \beta_0 + \sum_{k \neq -1} \beta_k (T_{ik} \cdot D_i) + u_{it} \tag{19}$$

Where, T_{ik}, is an indicator variable for individual, i, in period, $k \neq 1$, since the treatment was implemented to that specific individual. This indicator variable remains zero for all the control units, and as before, $D \in \{0;1\}$, is a binary treatment indicator for individual, i. The coefficient that estimates the estimand during period, t, in equation 19 is β_k. To provide further evidence that randomization ensured a balance between the treatment and control units, we conduct a joint test of the null hypothesis: $\sum_{t<T_0} \beta_k = 0$. Standard errors are clustered at

the individual level.

3.3 Pre-Experiment Balance

We check the balance in the observable covariates between treatment and control to ensure the randomization worked. Each column of tables A3 and A4 provides estimates of regressing outcomes of interest before the experiment began against a treatment dummy variable for registered users. We cannot statistically reject the null hypothesis for the coefficient of interest for every regression, providing evidence that randomization worked by creating balanced treatment and control groups before the experiment began. Figures A6 (a) to (f) provide estimates of the event-time study estimator for individuals at any pre-treatment time point to estimate differences in pre-trends. Visually, any pre-treatment confidence interval estimates lie outside the null hypothesis. For every regression, one cannot reject the joint null hypothesis, providing additional evidence that randomization worked and that we have parallel pre-trends. Tables A5 to A10 present balancing tests in the observable covariates between treatment and control stratified by average flood risk category (i.e., low, medium, and high) at baseline. We cannot reject the null between treated and control users at baseline. Finally, Table A12 presents the number of registered users within each flood risk category before the experiment began, stratified by treatment assignment for the registered individuals. One cannot reject that both distributions are different (Pearson $\chi^2(5) = 5.1$, p-value = 0.398), suggesting a balance between treatment and control within flood risk categories.

Registered vs. Non-Registered Users. Given that most of our results have as sample users that "registered" on the website, tables A13 and A14 present the results of regressing outcomes of interest at baseline against a "registered" dummy variable. Registered and non-registered users have different browsing patterns. On average, registered users browsed 31% more properties, and their zip code concentration index was 19%–i.e., registered users concentrated their browsing patterns in a higher number of zip codes. Regarding the characteristics of the houses, registered users browsed properties with 0.9% fewer bedrooms, 0.3% fewer bathrooms, 0.7% fewer square feet, 0.1% lower year of built, 6.3% higher flood scores, and 6.3% higher list prices.[30] They also had a 0.2% less probability of browsing a new construction and a 0.3% less probability of browsing short sales. Finally, they browsed properties with 4.2% more, 1.1% less, and 2.7% more walk, transit, and bike scores, respectively.

[30]The states of California (27.11% of all the registered users with pre-experiment information), Washington (9.07%), Illinois (7.63%), Maryland (5.25%), New York (5.19%), Massachusetts (4.49%), Texas (3.80%), Virginia (3.04%), Florida (3.52%), and Pennsylvania (3.85%) had the top 10 highest number of registered users participating in our experiment. The states of Florida (22.62%), California (13.01%), New York (8.98%), Washington (6.95%), and Illinois (4.94%) had the highest percentage of registered users browsing, on average, extremely risky properties pre-experiment.

Given that registered users are more typical of the average individual who is going to buy properties in the market in 2020, we will conduct the empirical analysis on search, engagement, and bidding with registered individuals in the experiment. We will leverage the whole dataset to examine general equilibrium effects on the housing market.

4 Results

In this section, we provide evidence of how the randomized treatment flood risk information affected: (i) home search behavior over time (4.1); (ii) engagement with the homes (4.2); and (iii) tours, offers, and closes (4.3). We will then analyze whether the treatment information had heterogeneous effects (4.4).

4.1 Home Search Behavior Dynamics

In searching for a home using the Redfin Platform, the buyer knows their preferences and their budget constraint. The search process allows the searcher to learn about the heterogeneous differentiated products available for purchase. While it is easy to quickly learn an area's day-to-day weather conditions, it has not been easy to acquire information about property-specific environmental risks. As the cost of acquiring such information is effectively lowered to zero for a randomized subset of Redfin users, we study how they respond to this access to information.

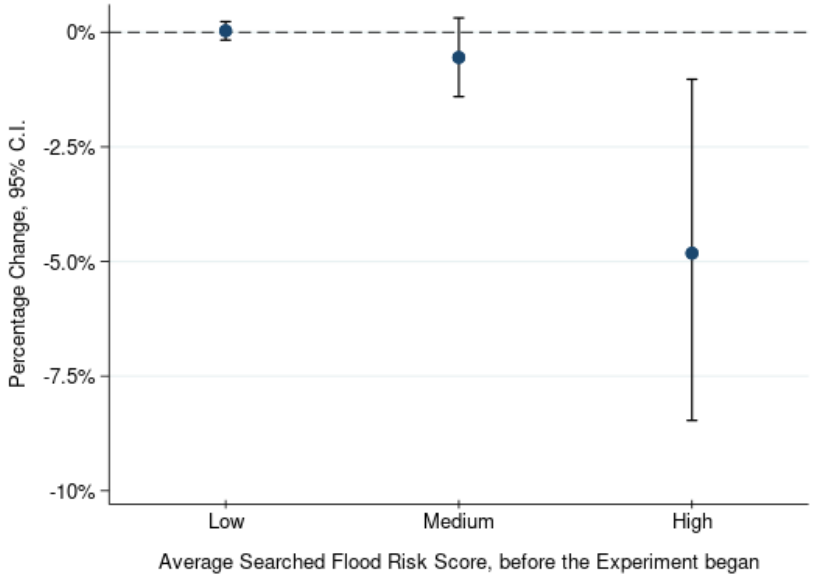
First, we estimate equation (17) for the whole sample, not segmenting by flood risk. Tables A15 (i.e., for all Redfin users) and A17 (i.e., for registered Redfin users) present the average treatment effects of having access to the flood factor on the number of properties browsed per day (column 1), the average characteristics of the browsed properties per day (columns 2 - 5), the average flood score of the properties browsed per day (column 6), and the Herfindahl–Hirschman zip code location index (HHI) of a user by day (column 7). On average, the treatment did not change the number of properties a user browsed per day, nor the average number of bathrooms, square feet, or list price of the properties browsed per day. However, users with access to the flood score browsed properties with fewer bedrooms. They also geographically expanded their searches by increasing the number of zip codes searched per day relative to the control.

When stratifying users by their average flood score of all the houses viewed before the experiment began (by estimating the CATE in equation (18)), treated users registered on the platform had a meaningful and significant change in their search behavior with a monotonic decrease in how flood risky the user's searches were before the experiment began. Figure 3

presents estimates of β_3 from equation (18) by baseline average flood score search category. The largest change was among those browsing, on average, high (i.e., severe or extreme) flood risky properties pre-experiment. That is, treated registered users in this category browsed properties with -4.82% lower flood score than their control counterparts ($p<0.01$). This effect size is large, as it is equivalent to a change in the flood score of 0.5 on a ten point scale. An analogy of this effect size is in terms of the average reduction in long-term flood risk associated with this change in the flood score. The comparable reductions in flood risk over 1, 2, 5, 10, 20 and 30 years are 8.0%, 10.6%, 6.2%, 4.1%, 3.4%, 2.9%, and 2.7%, respectively. However, people looking in relatively small risky areas do not have much range to move out of, so we also report the standard deviation effect size. For our high risk treated group, their standard deviation effect size is X.X. The effect sizes for low and medium risk are 0.03% (s.e. = 0.10) and -0.54% (s.e. = 0.43), respectively.[31]

Figure 3: CATE on the Average Flood Score of a Daily Search for Registered Users

% Change relative to Control



Note: Coefficients are in the form of $((e^{\beta_3}-1)\cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

In Figure 4, we present estimates of β_k from estimator 19 (i.e., an event-time study) for registered users browsing, on average, high risk properties before the experiment. The results show that, on average, there was no statistically significant difference between treatment and control groups before the experiment, suggesting that randomization was properly

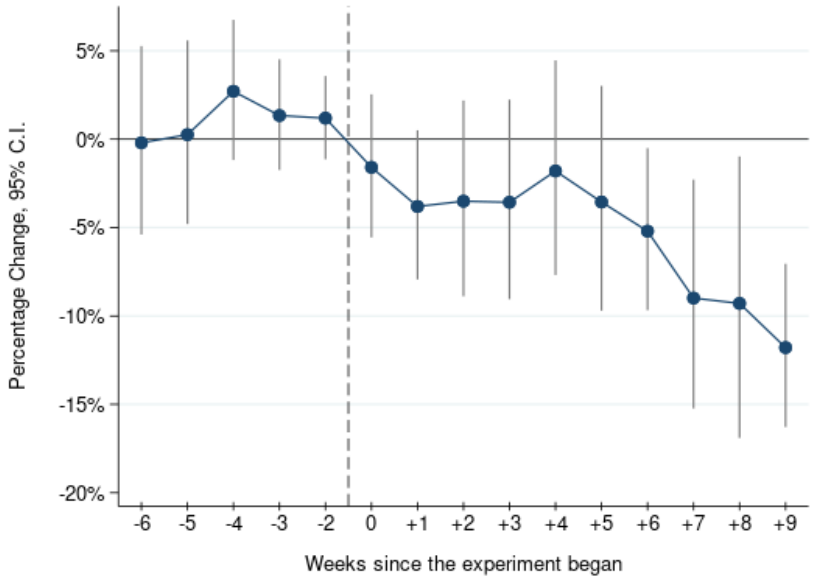
[31] When running the analysis on every user and not just the registered ones, those browsing low, medium, and high risk flood areas pre-experiment browsed properties with 0.00% (s.e. = 0.03), -0.78% (s.e. = 0.17), and -1.73% (s.e. = 0.95) lower flood scores, in that order, relative to their control counterparts.

conducted. However, as time progressed, treated users began browsing properties with progressively lower flood scores than the control group. By the ninth week, treated users were browsing properties with a -11.8% ($p < 0.01$) lower flood score compared to a week before the experiment, whereas after the sixth week, the reduction was -5.2% ($p < 0.01$) less flood risk score, relative to control users.

However, we did not find statistically significant effects in event-time studies involving registered users browsing properties with varying levels of average flood risk prior to the experiment. Specifically, Figures A7 (a) and A7 (b) illustrate the results for users browsing, on average, low and medium risky properties before the experiment began, respectively.

Figure 4: Event-time Study on the Average Daily Flood Score of Properties Searched for Registered Users

High-risk cohort, % Change relative to Control



Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 19. Coefficients are relative to the week before a user entered the experiment. Vertical lines crossing the estimates are confidence intervals at the 95% level. The vertical dashed line represents the beginning of the experiment for a user. The x-axis represents each user's baseline average flood score search category before the experiment began. Pre-trends p-value = 0.66, leveling of coefficients p-value = 0.000

Place-based factors may also influence the impact of flood information. For instance, differences in information access and local knowledge between homeowners and non-local buyers can create a situation where the latter may unwittingly purchase properties with higher environmental risks. In addition, the relative place-based risks associated with flood-prone areas could further affect the effectiveness of our treatment. For example, people residing in safe areas may be more likely to adjust their home search when looking for properties in high-risk areas, whereas those already in flood-prone areas may not be as responsive to our treatment.

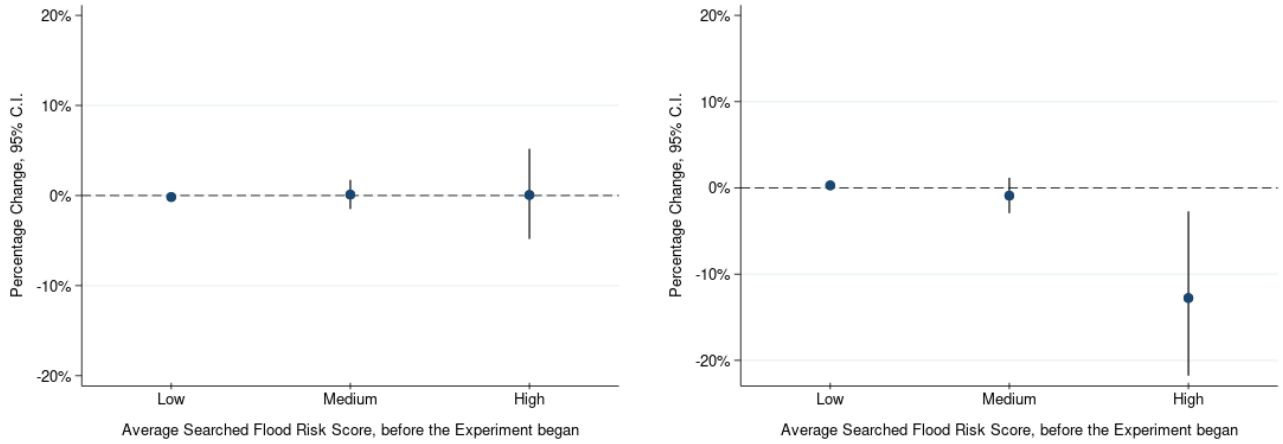
In this sense, we calculated the difference in the mean, standard deviation, and coefficient of variation (CV = (mean/standard deviation)) of the zip code's flood score between an individual's origin and most search destinations at baseline, and we interacted it with the treatment and the average flood score search at baseline to test our previous hypothesis.

We found that for individuals searching, on average, high flood risk homes pre-experiment and that also searched within zip codes with a *higher* flood risk CV than their origin, the average flood risk decreased by 12.77% ($p < 0.01$) after receiving the information (Figure 5 (b)). This reduction could be due to two possible changes: the treated individual searched within zip codes with a lower mean flood risk or within zip codes with a higher standard deviation. It is worth mentioning that interacting the treatment with the difference in the destination's and origin's zip code flood score mean and standard deviation did not have a meaningful or statistically significant effect (Figures A8 and A9, respectively).

Figure 5: CATE on the Average Flood Score of a Daily Search for Registered Users, by Characteristics of Most Searched Destination and Origin Zip Code at Baseline

(a) **Lower Coefficient of Variation** Flood Score at Destination Zip Code than Origin

(b) **Higher Coefficient of Variation** Flood Score at Destination Zip Code than Origin

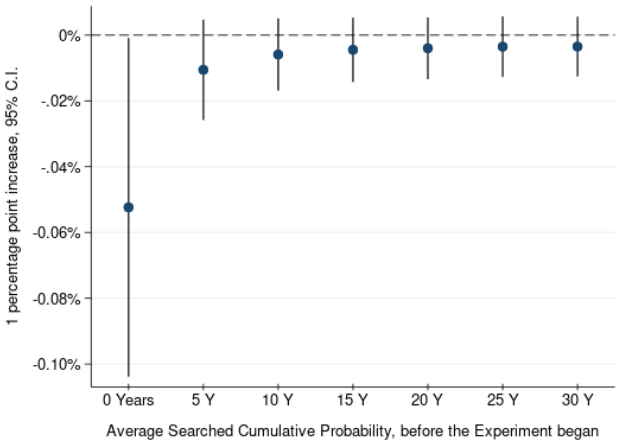


Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's average flood score search category before the experiment began.

In addition to displaying flood risk categories to treated users, our study (see Figure 1 for the visual experience of the experiment) provided them with a comprehensive view of the flood risk through a detailed quinquennial cumulative probability of a property flooding. Holding each user's average flood score search category before the experiment constant, we found that a 1 percentage point increase in the treated user's baseline cumulative probability of flooding to the building footprint in 2020 (0 years in Figure 6) decreased the average

flood score search by 0.052%. However, we did not observe statistically significant effects for cumulative probabilities in years 5, 10, 15, 20, 25, and 30.

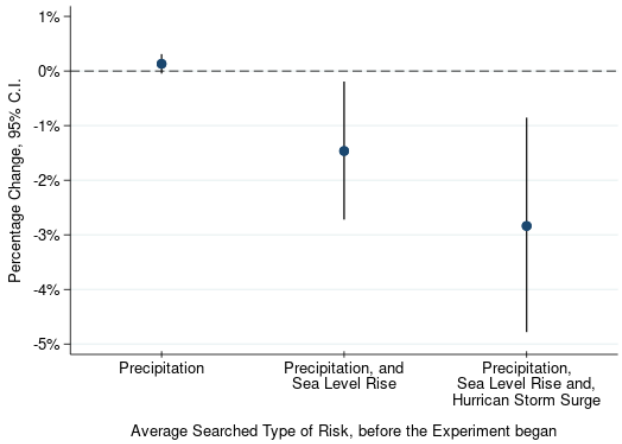
Figure 6: CATE on the Average Flood Score of a Daily Search for Registered Users, by Cumulative Flood Probability at Baseline



Note: Coefficients are in the form of $((e^{\beta 3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's average flood probability search before the experiment began.

Our data partner also classifies the type of flood risk each property faces. FSF classified environmental risks into three categories: "Precipitation," "Precipitation and Sea Level Rise," and "Precipitation, Sea Level Rise, and Hurricane Storm Surge." Holding each user's average flood score search category before the experiment constant, we found that individuals who searched at baseline for properties with "Precipitation, Sea Level Rise, and Hurricane Storm Surge" risks experienced a 2.8% reduction in their flood score exposure. In contrast, those who searched for properties with "Precipitation and Sea Level Rise" risks reduced their exposure by 1.4%. However, browsing for properties with only "Precipitation" risk at baseline did not yield a statistically significant effect (Figure 7).

Figure 7: CATE on the Average Flood Score of a Daily Search for Registered Users, by Type of Risk at Baseline



Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average type of environmental risk search before the experiment began. Coastal areas on the East Coast and Hawaii are referred as "Precipitation, Sea Level Rise, and Hurricane Storm Surge", other coastal areas are "Precipitation, and Sea Level Rise" and all other locations are "Precipitation".

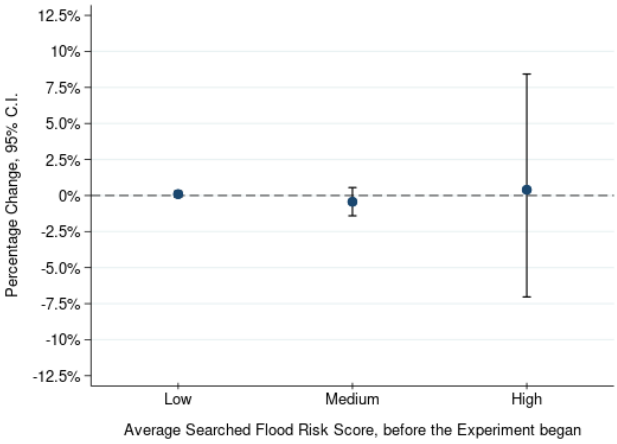
We also analyze the impact of the treatment for different types of people who search for homes that are: (a) either on the waterfront (seas/coastal, rivers, lakes) or not; (b) either in FEMA high risk zones or not; or (c) either on the coast or not; and (d) the various combinations of all these dimensions. We categorize people into various buckets by whether the customer had one of these homes in their search before the experiment took place.

In Figures 8 (a) and (b), we show that the flood risk information had an impact on those customers who had a waterfront property in the search before the experiment started. In Figures 9 (a) and (b), we show that the flood risk information had a similar impact on those customers who had a FEMA high risk property in the search before the experiment started, however, the size of the effect is larger for the without FEMA high property int heir search before the experiment started. In Figure 10 (a) we show that the flood risk information had an impact on those customers who had a waterfront but not coastal property in the search before the experiment started. In Figure 10 (b) we show that the impact of the high flood risk information for those searching for waterfront and coastal properties is more noisy.

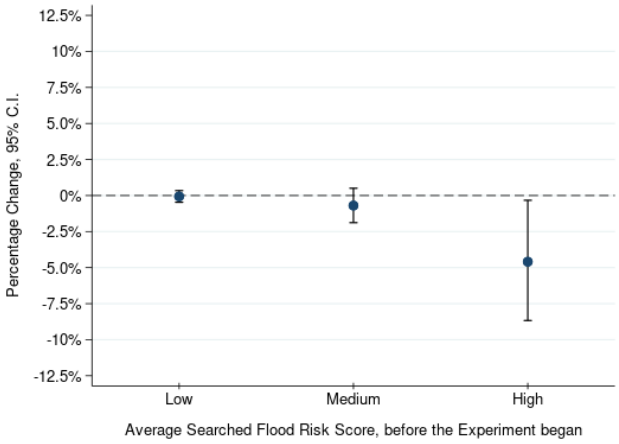
Taken together, these results provide us with more evidence for the "new news" hypothesis. The impact of the treatment is coming through for people who are looking at waterfront but not coastal properties, which would not be in NFIP or designated as risky by FEMA.

Figure 8: CATE on the Average Flood Score of a Daily Search for Registered Users

(a) **Without** Waterfront Search at Baseline



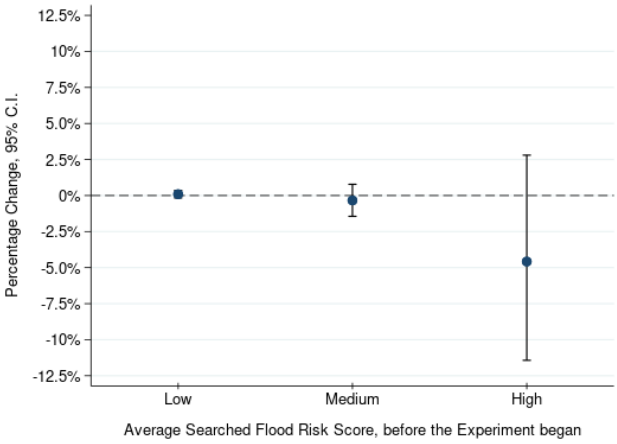
(b) **With** Waterfront Search at Baseline



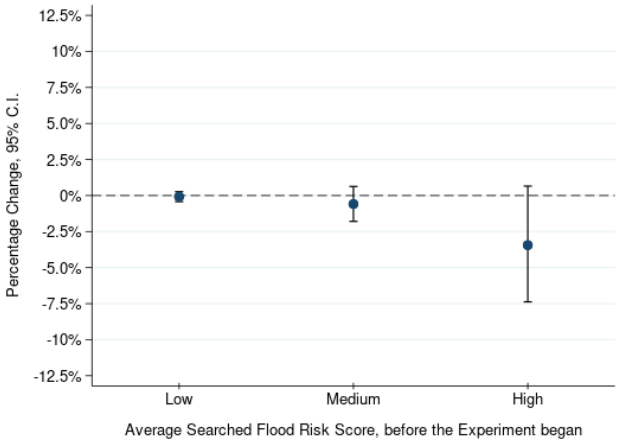
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who did not browse any waterfront property before the experiment are classified as "without" waterfront search at baseline. On the other hand, users who browsed at least one waterfront property before the experiment are classified as "with" waterfront search at baseline.

Figure 9: CATE on the Average Flood Score of a Daily Search for Registered Users

(a) **Without** FEMA Risk Search at Baseline



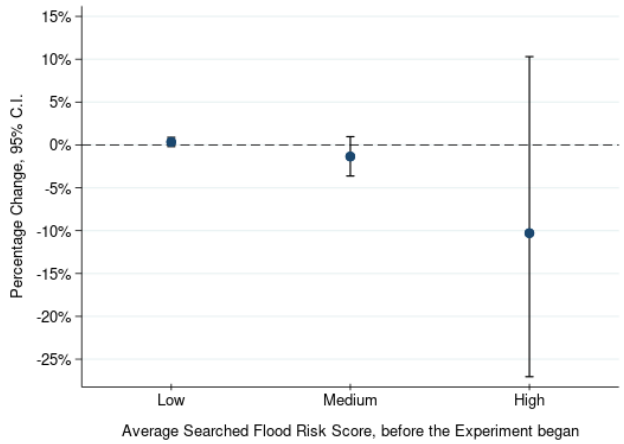
(b) **With** FEMA Risk Search at Baseline



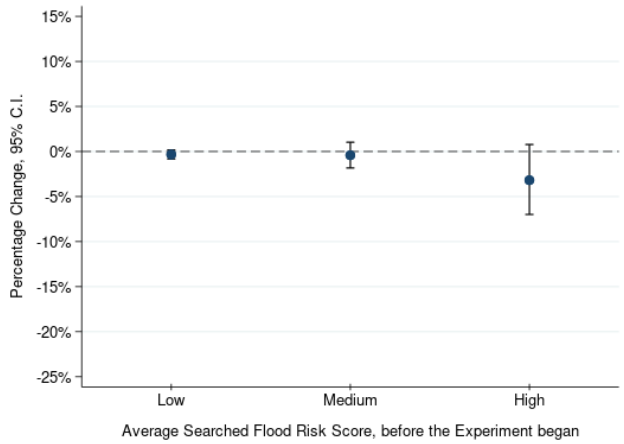
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who did not browse any property considered risky by FEMA before the experiment are classified as "without" FEMA risk search at baseline. On the other hand, users who browsed at least one property considered risky by FEMA before the experiment are classified as "with" FEMA risk search at baseline.

Figure 10: CATE on the Average Flood Score of a Daily Search for Registered Users

(a) **With** Waterfront and **Without** FEMA Risk Search at Baseline



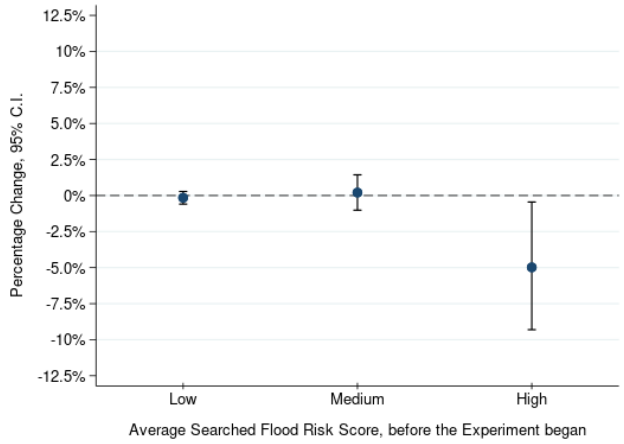
(b) **With** Waterfront and **With** FEMA Risk Search at Baseline



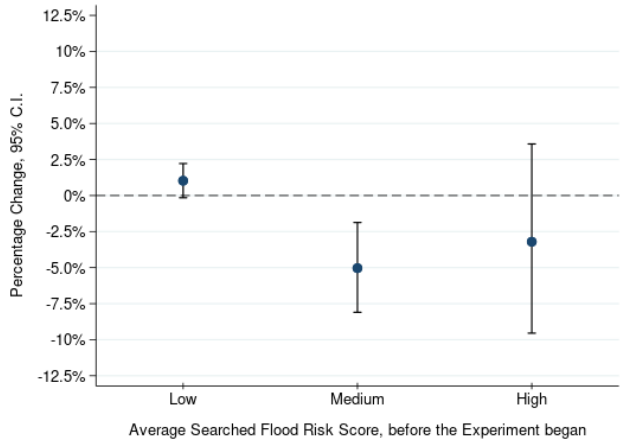
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who browsed at least one waterfront property before the experiment are classified as "with" waterfront search at baseline. Users who did not browse any property considered risky by FEMA before the experiment are classified as "without" FEMA risk search at baseline. On the other hand, users who browsed at least one property considered risky by FEMA before the experiment are classified as "with" FEMA risk search at baseline.

Figure 11: CATE on the Average Flood Score of a Daily Search for Registered Users

(a) **With** Waterfront and **Without** Coastal Search at Baseline



(b) **With** Waterfront and **With** Coastal Search at Baseline

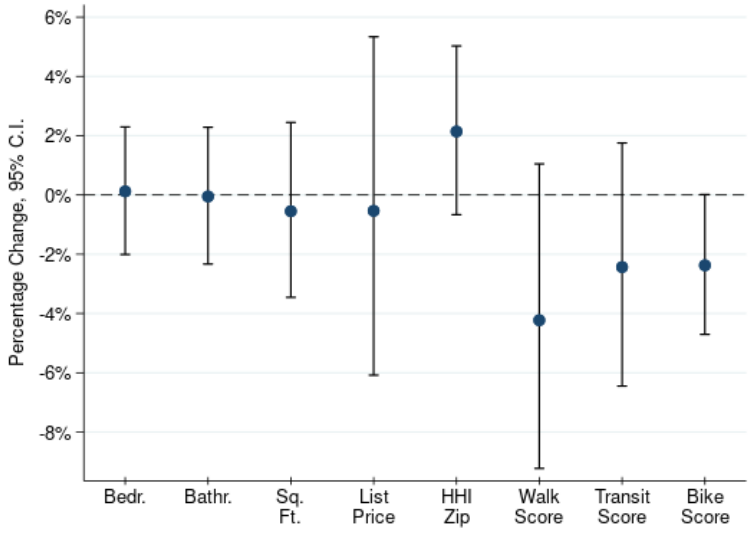


Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who browsed at least one waterfront property before the experiment are classified as "with" waterfront search at baseline. A property is classified as being located on the coast when its geographic coordinates (latitude and longitude) are 200 meters or less from the nearest shoreline. Users who did not browse any coastal property before the experiment are classified as "without" coastal search at baseline. On the other hand, users who browsed at least one coastal property before the experiment are classified as "with" coastal search at baseline.

We next examine what attributes of the property markets are consumers trading off for reduction in flood score of searches in the main result from Figure 3. In Figure 12 we examine the changes in the values of the property attributes. We do not see people trading off a lower flood score for a change in the number of bedrooms, bathrooms, sq ft, or list price. We see a slight increase in the HHI, meaning that consumers might be more concentrated in their property views within zip codes, although we only have 90% confidence in that result. However, we do find a lower bike score, and similar magnitude decreases in walk and transit score, although the latter two are more noisy. The bike score is calculated by measuring bike infrastructure (lanes, trails, etc.), hills, destinations and road connectivity, and the number of bike commuters. The walk score analyzes hundreds of walking routes to nearby amenities, e.g., grocery stores, schools, parks, restaurants, and retail (points are awarded based on the distance to amenities in each category). The walk score also measures pedestrian friendliness by analyzing population density and road metrics such as block length and intersection density. We suspect that both the walk and bike scores are correlated with: (a) public funds available to improve roads and nearby amenities; and/or (b) how business-friendly an area is to incentivize business creation, both of which are positively demanded but are willing to be trade-off.

Figure 12: CATE on the Average Outcomes of a Daily Search for Registered Users Browsing High Risk Properties at Baseline

% Change relative to Control



Note: Coefficients are in the form of $((e^{\beta_3}-1)\cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents treatment effects for users browsing high flood risk properties, on average, before the experiment began.

4.1.1 Nonparametric Conditional Average Treatment Effects

The impact of flood information on users may vary based on individual characteristics. We recognize that Redfin customers could vary with respect to their risk aversion, and they can vary with respect to their incomes and their local social capital and family ties to an area where they are searching. Such searchers may also vary with respect to whether they trust the data that Redfin is supplying.

In the previous section, we demonstrated heterogeneity in treatment effects by analyzing how these effects differed depending on users' pre-experiment flood risk search behavior. However, the impact of our treatment could also vary based on other individual characteristics, in addition to baseline flood risk search behavior. Moreover, the estimator used to calculate the previous CATE, i.e., the estimator presented in equation 18 relies on the linearity assumption of the effect that covariates, X_i, have on the treatment. If these effects were non-linear, our calculated estimates would be biased or wouldn't cover the entire distribution of heterogeneous treatment effects.

To account for the possibility of nonlinearity and to incorporate the influence of other baseline characteristics on treatment effects, we utilize a Generalized Random Forest algorithm known as causal forests (Athey, Tibshirani and Wager, 2019; Athey and Wager, 2021). We further describe this algorithm in section A.1. Figures A18 to A20 show the predicted conditional average treatment effects through causal forests stratified by baseline flood risk categories.

Several results are worth highlighting. Figure A18 shows how the algorithm identified that 80%[32] of the conditional average treatment effects were negative for those users browsing extremely risky properties before the experiment began—albeit only 25% of them were statistically significant at the 90% level. The largest reduction for this group was a reduction of -20% in the average flood risk score. Moreover, Figure A19 also plots how causal forests found that about 60% of the treatment effects were negative for those users browsing medium risky properties before the experiment began. The most significant reduction was -15% relative to the control group.

Finally, for those in the low pre-experiment risk groups, we didn't find *negative* statistically significant treatment effects (Figure A20). Nevertheless, we found positive statistically significant effects at the right end of the treatment effects distribution.

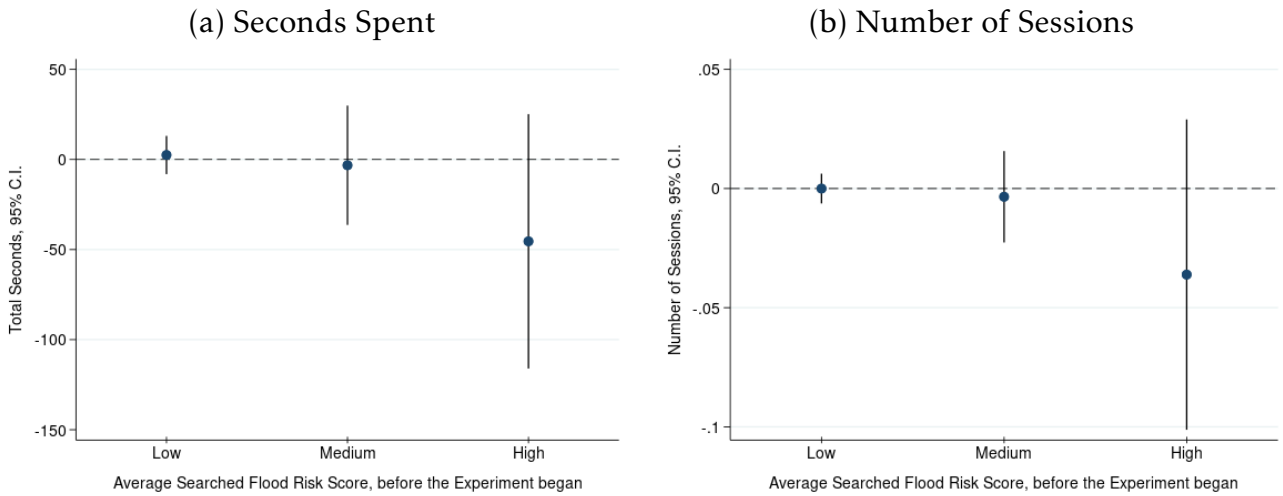
[32] When focusing on the population regardless of their pre-experiment average flood search, we found that 62.1% were affected by the flood risk information.

4.2 Engagement

The Redfin experiment represents an "intention to treat." Each searcher must decide whether she keeps engaging with this information. Everyone has a time budget constraint and individual home buyers know their home purchase priorities. It is conceivable that a home buyer would spend relatively little time engaging with the flood risk data, given that there are many other dimensions of a home's quality to consider. In this section, we test this hypothesis.

As seen in Figure A13, the treatment did not have a statistically significant impact on the probability of registering on the website. Tables A19 (i.e., for all users) and A20 (i.e., for registered users) shows an average daily increase in the total seconds (3.9) and the number of sessions spent (0.004) in the platform for those registered users in the treatment arm. When stratifying users by their average pre-experiment flood score houses searches, we did not find statistically significant results for the total seconds spent and the number of sessions (Figures 13 (a) and (b)).

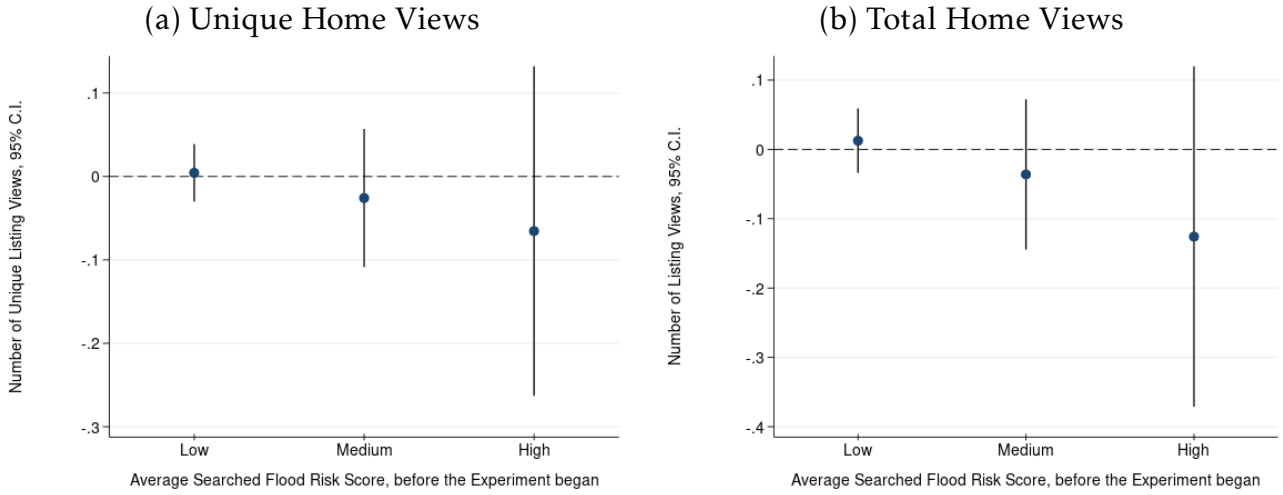
Figure 13: CATE on the Time Spent on the Website per Day for Registered Users



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

In the same vein, Figures 14 (a) and (b) show no large or statistically significant effects when stratifying by baseline flood scores for the number of unique home views and total home views, respectively.

Figure 14: CATE on the Number of Homes Viewed per Day for Registered Users



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

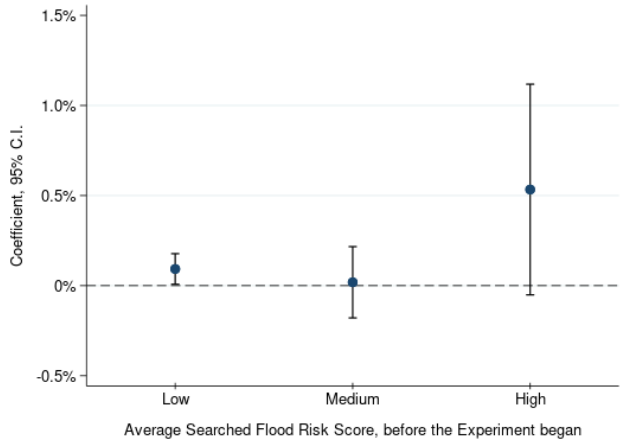
The treatment had an impact on how users engaged with the listings. Figure 15 shows how the treatment (stratified by the baseline average flood score search category) affected the times a user engaged with (a) the flood risk section[33], (b) "favorite" a property, (c) next photo, and (d) active similar properties, as a percentage of all the properties a user browsed per day. Both groups of users, those browsing, on average, low risk and high risk properties at baseline, exhibited increased engagement with the flood risk section once they entered the experiment, compared to the control users (Figure 15 (a)). As well, users browsing, on average, properties with low flood risk pre-experiment "favorited" more properties once the flood score became available, whereas those browsing, on average, high risk properties pre-experiment, "favorited" fewer properties (Figure 15 (b)) and clicked fewer times "next photo" (Figure 15 (c)).

Our findings presented above suggest that users previously browsing high risky properties adjust their search behavior once they learn about the flood risk. This finding has important economic content because we reject the hypothesis that informed, risk-loving individuals seek out risky homes. If such "complete information" matching was taking place, then we would not expect to observe the facts we reported above.

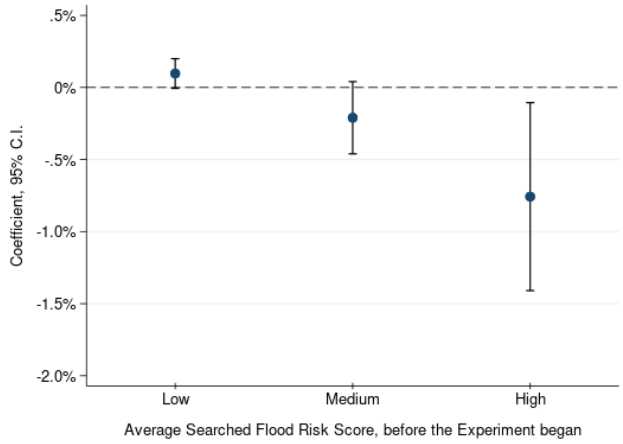
[33]Engaging with the flood risk refers to reaching the flood risk section for the treated individuals and reaching the section where the flood risk should be for the control individuals.

Figure 15: CATE on the Percentage of Times Registered Users Engaged with a Specific Property's Features per Day

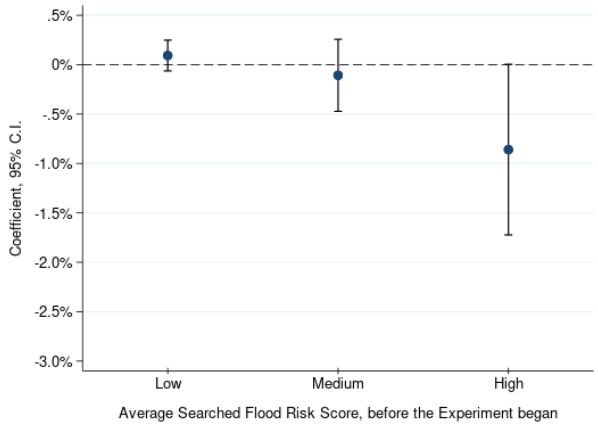
(a) Engaged with the Flood Risk Section



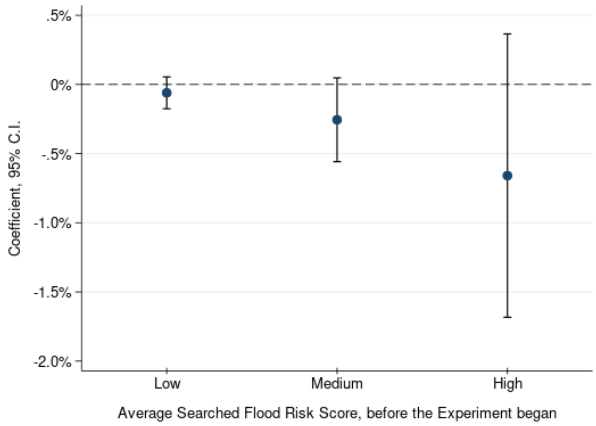
(b) Clicked "Favorite" a Property



(c) Clicked Next Photo



(d) Clicked Active Similar Properties



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

We also examine some of these engagement metrics for different type of properties (based on the user's pre-experiment search history). Figures A15, A16, and A17 in the Appendix show the average treatment effect on the engagement with the flood risk section for users browsing waterfront, FEMA-risky, and coastal properties at baseline. Consistent with the search results, we found that treated users looking at waterfront but not coastal properties are more likely to spend more time searching for the flood risk section.

4.3 Tours, Offers, and Closes

Redfin provides customers with an integrated house purchase process such that home buyers can search for a specific home and then work with a Redfin directed brokerage service.

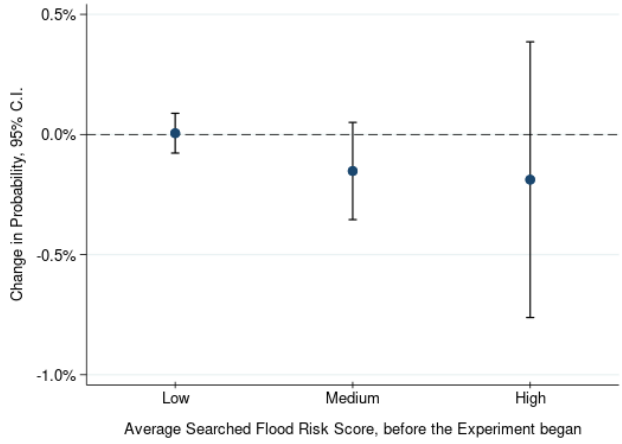
It gives its users the option to tour properties, place a bid on a particular property, and close a deal. In our experiment, once a treated user views and opens a property, they observe the flood score of that particular unit. For those in the treatment group who search for a given property and then choose to tour the property and then place a bid for that property, we observe each of these steps play out in the housing purchasing process. Based on revealed preference logic, we view touring and bidding on a home as important (and costly) evidence that one is responding to information.

Tours. As seen in Figures 16 (a) and (b), having access to the flood risk score of the properties doesn't affect the likelihood of booking a tour or canceling a home tour, irrespective of their baseline flood score search or the flood score of the property; that is, we don't find a statistically significant difference on the probability of booking or canceling a home tour for the treatment group.

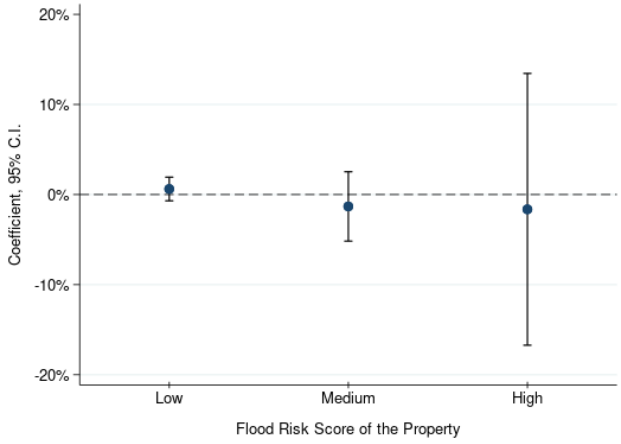
Figure 16: CATE on the Probability of Booking a Tour and Canceling a House Tour

% Change relative to Control for Registered Users

(a) Probability of Booking a Tour



(b) Probability of Cancelling a House Tour



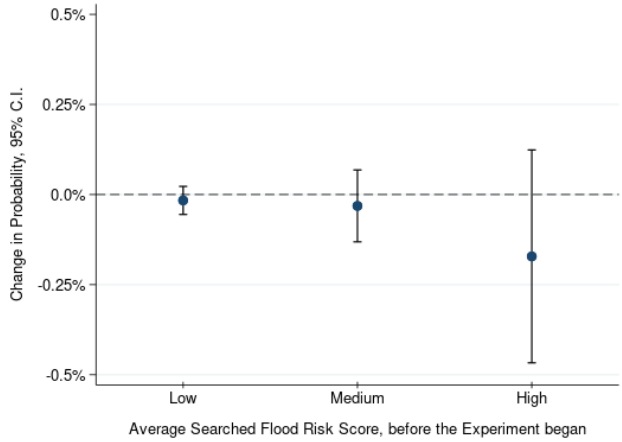
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents the flood score category of the property.

Offers. Figures 17 (a) and (b) show the probability of an individual placing a house offer and the flood score of a property someone in our experiment bid on, stratified by the baseline average flood score search category and relative to their control counterpart. Figure 17 (a) shows no statistically significant difference in having access to the flood score of properties on the probability of bidding on a property. However, Figure 17 (b) treated users browsing high risky flood properties pre-experiment place bids on properties with -57.1% (s.e. = 19.73) less flood score than their control counterparts.

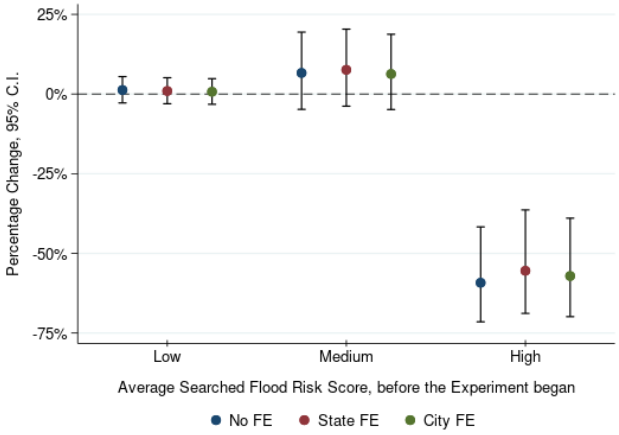
Figure 17: CATE on Offers

% Change relative to Control

(a) Probability of Placing an Offer



(b) Flood Score of the Property



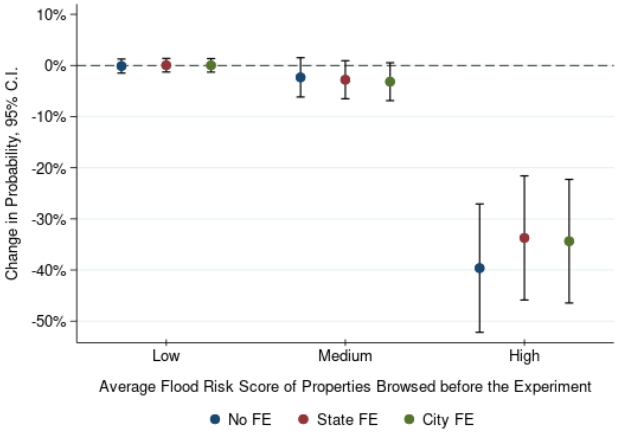
Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. S.E. clustered at the registered user level. FE = Fixed Effects of the location of the Property.

Figure 18 (a) and (b) show how treated groups trade-off characteristics of a property to reduce their flood exposure, as shown in Figure A34 (b). On the one hand, as seen in Figure 18 (a), people browsing riskier properties before the experiment began had a lower probability of placing an offer on waterfront properties. That is, those users with access to flood scores and browsing high risky properties before the experiment began had a -39.6% less probability of placing a bid on a waterfront property. On the other hand, Figure A35 (b) shows that users browsing high risky properties before the experiment began went on to bid properties with -14.6% less square feet (s.e. = 17.08).

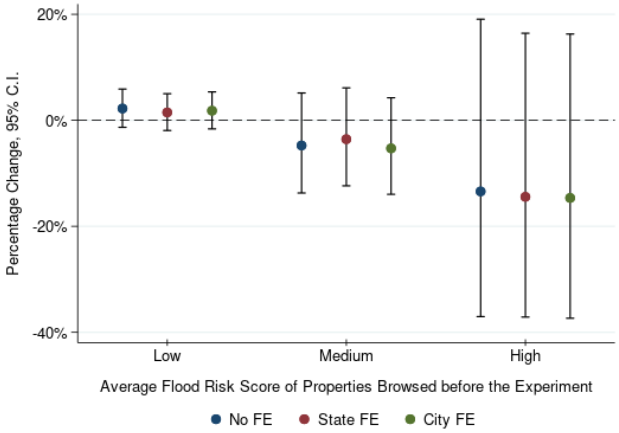
Figure 18: CATE on the Characteristics of an Offer

% Change relative to Control

(a) Prob. of Offer being on the Waterfront



(b) Square Feet of the Property

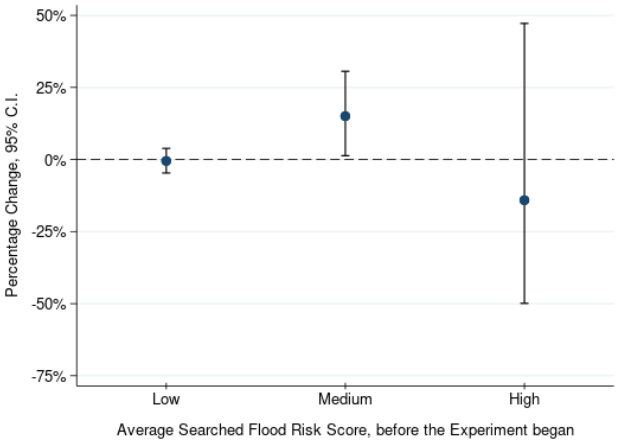


Note: For Figure (b), coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Standard errors clustered at the user level. FE = Fixed Effects of the location of the Property.

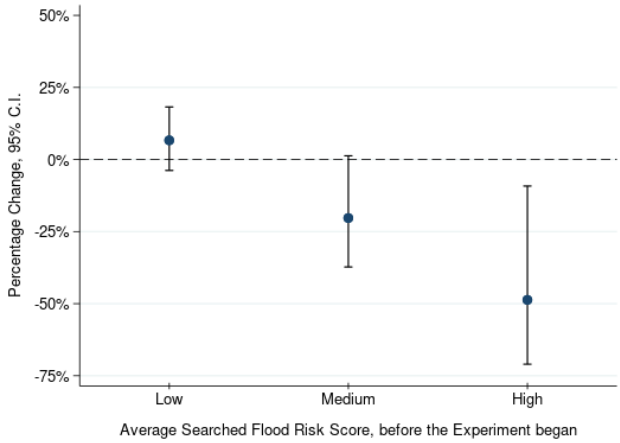
We examine how the offers vary by the type of properties that the user searches for. In Figures 19 (a) and (b), we show that the reduction in the flood score of offers is coming from the waterfront properties. FEMA RISK. In Figures 20 (a) and (b), we see small differences between FEMA and non-FEMA high risk, but in Figures 21 (a) and (b), we see that the reductions in flood score are coming from the waterfront properties not on the coast. This again supports our new news hypothesis.

Figure 19: CATE on the Flood Score of an Offer for Registered Users

(a) **Without** Waterfront Search at Baseline



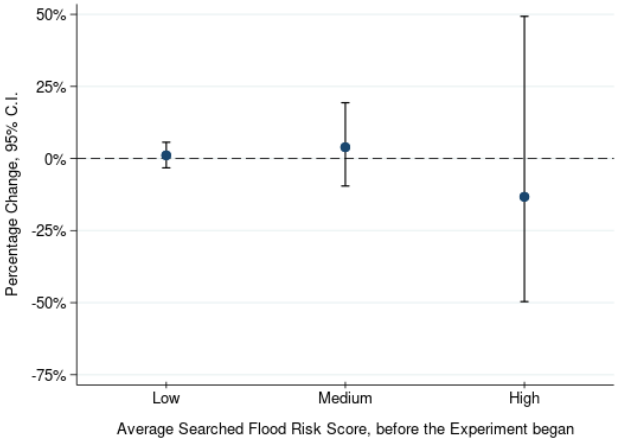
(b) **With** Waterfront Search at Baseline



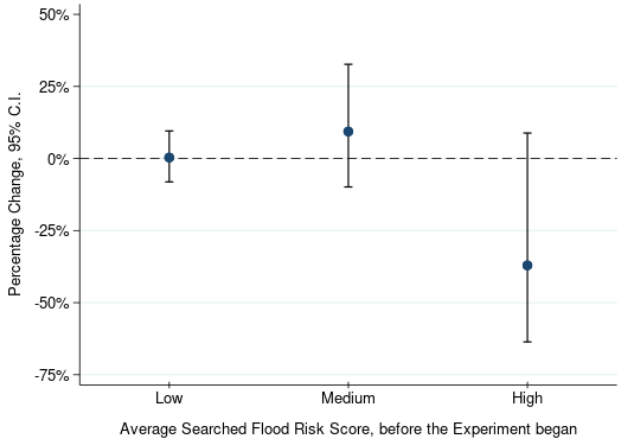
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who did not browse any waterfront property before the experiment are classified as "without" waterfront search at baseline. On the other hand, users who browsed at least one waterfront property before the experiment are classified as "with" waterfront search at baseline. Estimates are with City Fixed Effects.

Figure 20: CATE on the Flood Score of an Offer for Registered Users

(a) **Without** FEMA Risk Search at Baseline



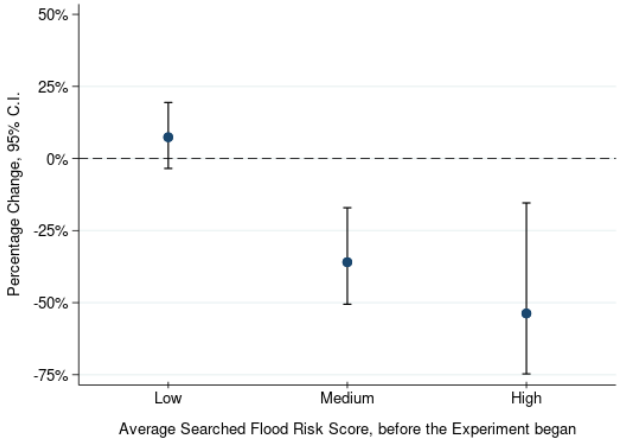
(b) **With** FEMA Risk Search at Baseline



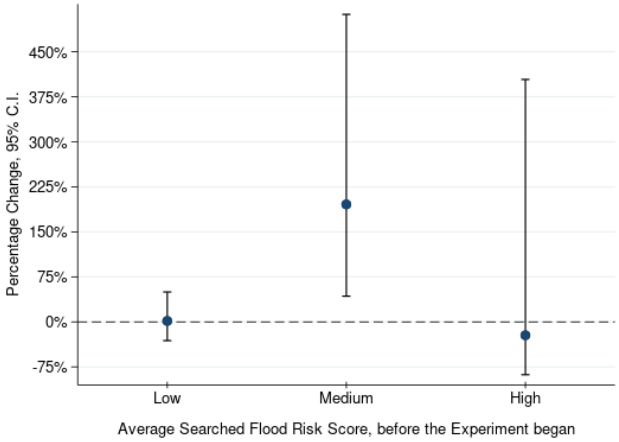
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who did not browse any property considered risky by FEMA before the experiment are classified as "without" FEMA risk search at baseline. On the other hand, users who browsed at least one property considered risky by FEMA before the experiment are classified as "with" FEMA risk search at baseline. Estimates are with City Fixed Effects.

Figure 21: CATE on the Flood Score of an Offer for Registered Users

(a) **With** Waterfront and **Without** Coastal Search at Baseline



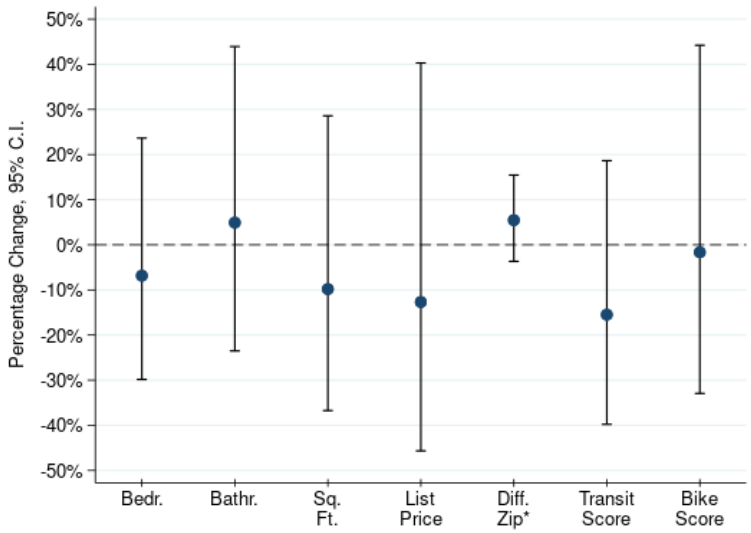
(b) **With** Waterfront and **With** Coastal Search at Baseline



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who browsed at least one waterfront property before the experiment are classified as "with" waterfront search at baseline. A property is classified as being located on the coast when its geographic coordinates (latitude and longitude) are 200 meters or less from the nearest shoreline. Users who did not browse any coastal property before the experiment are classified as "without" coastal search at baseline. On the other hand, users who browsed at least one coastal property before the experiment are classified as "with" coastal search at baseline.

For the high flood risk property users, while the flood score of the offered properties decrease, Figure 22 shows that there is nothing driving the trading off of other attributes. The only thing that is not particularly noisy is the different zip code count.

Figure 22: CATE on the Average Outcomes of the Offers
for Registered Users Browsing High Risk Properties at Baseline
% Change relative to Control



Note: Coefficients are in the form of $((e^{\beta_3}-1)\cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents treatment effects for users browsing high flood risk properties, on average, before the experiment began. *: The outcome variable is a binary indicator that takes a value of one when a user submits an offer for a property in a zip code different from their most frequently browsed one at baseline and zero otherwise. As such, the treatment represents a shift in probability rather than a percentage change, as with the others.

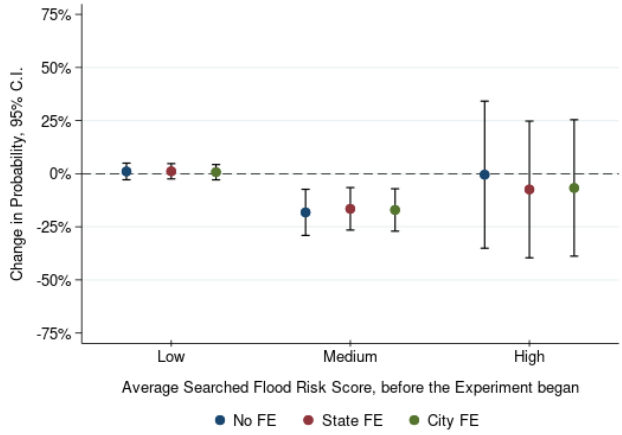
Closing. In the process of selling a home, the "closing" is one of the final steps, as money and legal paperwork are exchanged to finalize the transaction. From basic revealed preference logic, if a home buyer has doubts about following through with a purchase, this is the key time to walk away from the deal.

We now show the probability of an individual closing a house offer and the flood score of a property someone in my experiment closed on, stratified by the baseline average flood score search category and relative to their control counterpart. As seen in Figure 23 (a), we found a lower probability (-15%) of closing an offer between treatment and control groups for those browsing medium risky properties pre-experiment. Figure 23 (b) shows the average treatment effects of having access to properties' flood score on the property's closed flood score. On average, registered treated users browsing pre-experiment high flood risk properties closed properties with -58.8% ($p < 0.01$) less flood risk than their control counterparts. This result is extremely similar to the result on the offers made in Figure 17, which suggests that for these Redfin users, they were the marginal winning buyers.

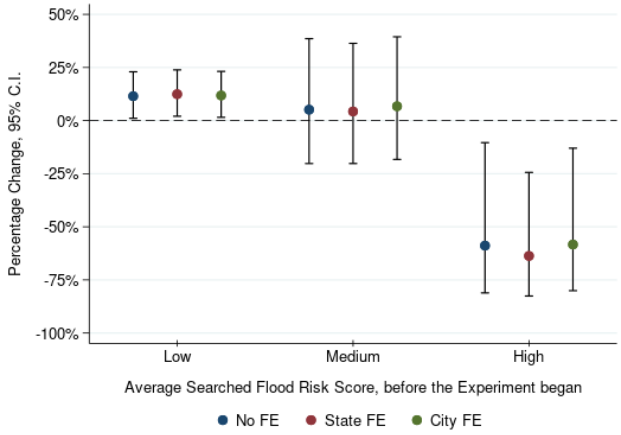
Figure 23: CATE on the Probability of Closing on a Property

% Change relative to Control

(a) Probability of Closing an Offer



(b) Flood Score of the Closed Properties



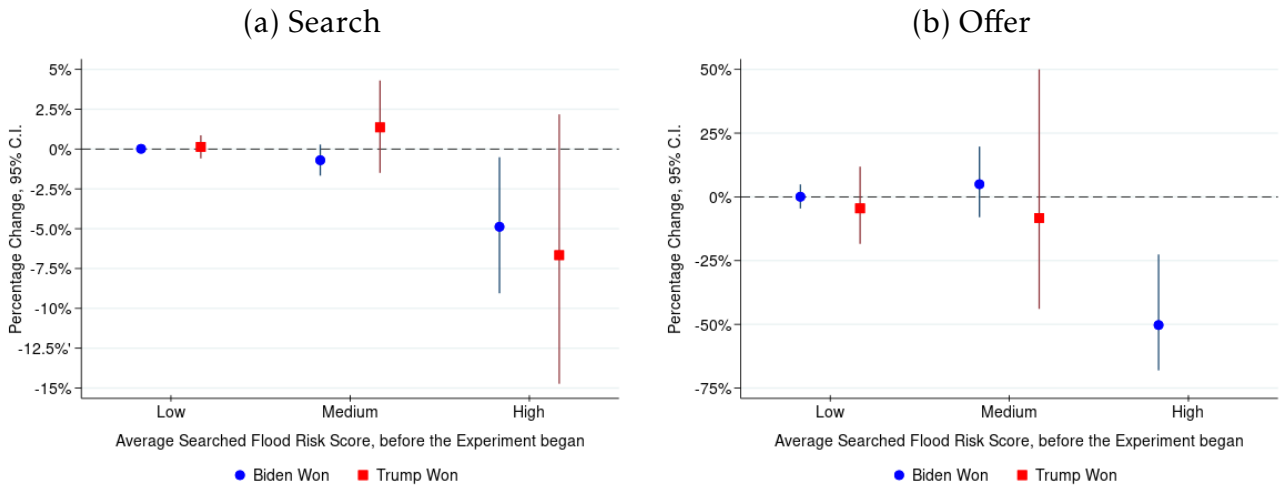
Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. FE = Fixed Effects of the location of the Property.

4.4 Does Political Ideology or Recent Flooding Events Influence the Treatment's Effectiveness?

Previous research has noted the political divide concerning interest and climate change concerns (Dunlap and McCright, 2008; Bernstein et al., 2022). Blue state voters and their elected officials routinely express their support for the green economy and subsidies to decarbonize it. Energy conservation nudges focused on peer comparisons tend to be more effective with liberals than conservatives, or areas that are deemed more green (Dunlap and McCright, 2008; Costa and Kahn, 2013; Allcott, 2015).

We test whether political ideology influences the average treatment effect of the flood information. We calculate conditional average treatment effects by whether the county where the user lives voted for Biden or Trump in the 2020 Presidential election. In Figures 24 (a) and (b), we show the impact of Biden and Trump winning counties for search and offers respectively. For search, we see that both Trump and Biden supporters respond more to high flood risk than medium flood risk ($p < 0.05$). We cannot reject the null that Biden and Trump counties respond to the flood score in the same way for both searches and for offers.

Figure 24: Flood Risk by Counties from Where Users Browsed the Most at Baseline, Stratified by Whether Biden or Trump Won in 2020



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. We assigned a baseline county to where users browsed the most from at baseline. We do not have enough observations to estimate the impact on offers for Trump counties with high flood risk.

Studies have also estimated the impact of flooding events on the real estate market and risk perceptions, finding that home buyers respond to recent major flooding events and adjust their risk perceptions only during a brief period of time (Kousky, 2010; Zhang, 2016; Zhang and Leonard, 2019). We test whether the county from which a user made the most searches and the county a user searched for properties the most at baseline experienced a flooding event in the past seven days to further examine the heterogeneity of our conditional average treatment effects. Figures A29 (a) and (b) show that a flooding event did not have a statistically significant effect on how treated users browsed for properties within counties experiencing a flooding event in the past 7 days.

5 Real Estate Market Price Responses to Property Specific Flood Risk Information

While no home buyer gains utility from owning a home at risk of flood, the population differs with respect to their willingness to pay for such a home. Higher-income people have a higher economic capacity to avoid such risky homes. More risk loving people and those with the ability and economic capacity to upgrade their homes will be more likely to bid for risky homes than risk averse people who do not want to invest the time and effort in upgrading a home (Shogren and Stamland, 2002).

In a setting where buyers and sellers have complete information about climate risks, the climate risks will be capitalized into the sales price of the home. Hedonic real estate regression techniques can be used to recover the marginal value of the home's attributes. Recent papers have followed this strategy to estimate the compensation for flood risk (Ortega and Taşpınar, 2018; Bernstein, Gustafson and Lewis, 2019).Gao, Song and Timmins (2023) study the responsiveness of regional migration in China to local air pollution. They find that this migration elasticity nearly doubles when the authorities publicize urban air pollution levels. This study's natural experiment demonstrates that people are more responsive and more likely to adapt to a pollution threat when they are informed about it. Our experiment's individual level variation in access to environmental risk information allows us to take the next step here to investigate how different people engage with such information.

Our field experiment's results highlight that home buyers do not have "complete information" about emerging risks. Home buyers are responding to this information in every phase of the search process. In this section, we study how property-specific revelation of flood risk affects the housing hedonic gradient. An ideal field experiment for answering this question would randomize the flood score at the property level (not at the individual searcher level).

For every home sold in the experimental period, there was a random fraction of users who were in the treatment and the control group. This variation is due to random variation of who gets placed into treatment and control with small samples.For example, suppose that 50 Redfin home buyers chosen randomly in the treatment group choose to click on 14 Elm Street, Belmont, MA 02478 when the experiment was going on (the last three months of 2020). Suppose that during that time, 100 Redfin home buyers chosen at random to be in the control group also looked at that home. This means that 50/150 of the Redfin searchers that were randomly selected to be in the experiment knew the home's flood score during the study period. Let's also remember that Redfin allocated around 41% of its total traffic to this experiment. Thus, 59% of its monthly traffic, by definition, didn't know about the flood score. Following the 14 Elm Street example, we can say that 50/336 of Redfin's total searches for this house knew its flood score. If Redfin has a 20 percent market share, then the market wide exposure to treatment for this home equals 50/1680 or about 3%.

Our dependent variable is the sales price minus the list price. This variable reflects the "new news" associated with the home (Bajari et al., 2012). The First Street Foundation flood score treatment information was an unanticipated event that could not be incorporated into the list price. In our econometric model below, the variable, Frac_Treat represents the ratio of the count of people in the treatment group who visited this property divided by the total count of all Redfin searchers who visited this property. We estimate the following regression:

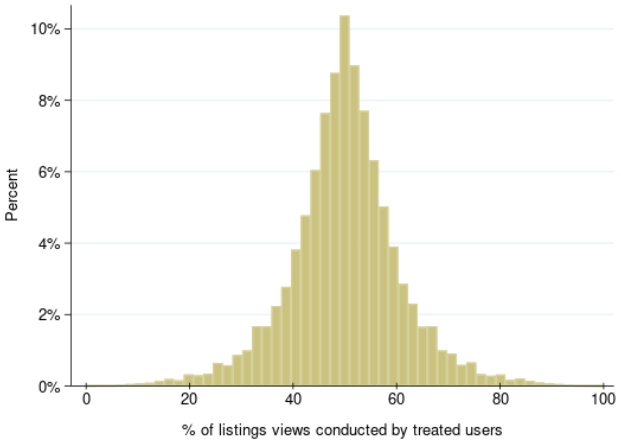
$$y_{pt} = \beta_0 + \beta_1 F_p + \beta_2 \text{Frac_Treat}_p + \beta_3 \left(F_p * \text{Frac_Treat}_p \right) + \lambda_z + m_t + u_{pt} \tag{20}$$

Where, y_{pt}, represents the dollar spread between the sale price and the property listing price, p, sold in the month, t, of the experimental period. F_p shows the property's flood risk category (i.e., low, medium, and high), whereas, Frac_Treat, represents the percentage of people who viewed the property and were in the treatment group as a fraction of all Redfin viewers. λ_z and m_t represent zip code- and month-fixed effects, respectively. u_{pt} are the residuals. Standard errors are clustered at the zip code level.

Figure 25 (a) shows the distribution of the variable, Frac_Treat, i.e., the percentage of people who viewed the property and were in the treatment group as a fraction of all Redfin viewers, which follows a normal distribution. Figure 25 (b) shows estimates of β_3 from estimator 20. We did not find a statistically significant effect when running estimator 20 on the whole sample of listings sold during the experimental period.

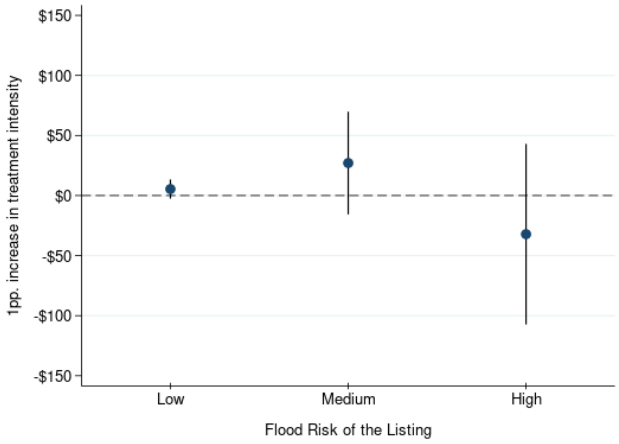
Figure 25: The Association Between Treatment Exposure Intensity and the *(Sale - Listing Price)* Spread

(a) Distribution of Listing Views Conducted by Treated Users per Listing



(b) All Listings

1PP Increase in Exposure Intensity, ($)



Note: For Figure (b), vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents the flood score of the property.

However, when we divide the listings into two groups based on their characteristics —being on the waterfront or being in a FEMA risk zone —we observe that our intensity treatment variable, referred to as Frac_Treat, has an impact on the difference between the sale price and the listing price. Figure 26 illustrates how a 1 percentage point increase in the intensity treatment variable affects the spread between the sale price and the listing price for properties that are *not situated* on the waterfront (see Figure 26 (a)), as well as for properties that are *not*

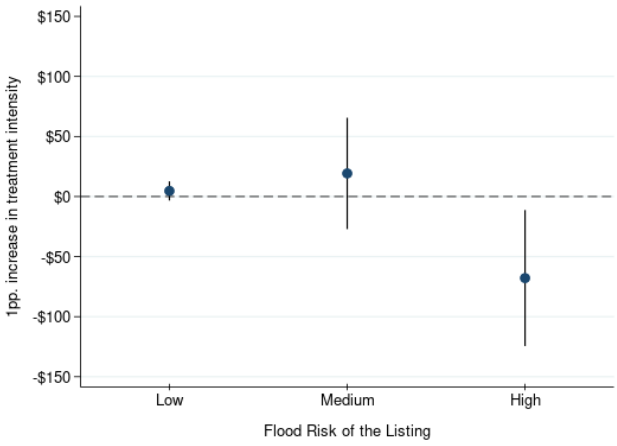
considered risky by FEMA (see Figure 26 (b)), stratified by the listing's flood risk score. For both instances, properties considered *highly* risky by First Street Foundation, incurred a price penalty as the percentage of treated users viewing the listing in Redfin increased.

A one percentage point increase in the percentage of views conducted by the treated users led to a negative penalty of -$68 and -$53 for highly risky properties not on the waterfront and not considered risky by FEMA, respectively. In other words, going from 0% (pre-experiment beliefs) to 100% (everyone having the FSF flood score) in our variable of interest leads to a price penalty of -$6,800 and -$5,300 under list price among severely risky properties not on the waterfront and not considered risky by FEMA, in that order. These results suggest that the intervention influenced risk expectations for those properties either not perceived as risky (i.e., not on the waterfront) or not defined as risky by a government institution (i.e., not considered risky by FEMA).

Figure 26: CATE of an Increase in Exposure Intensity on the *(Sale - Listing Price)*

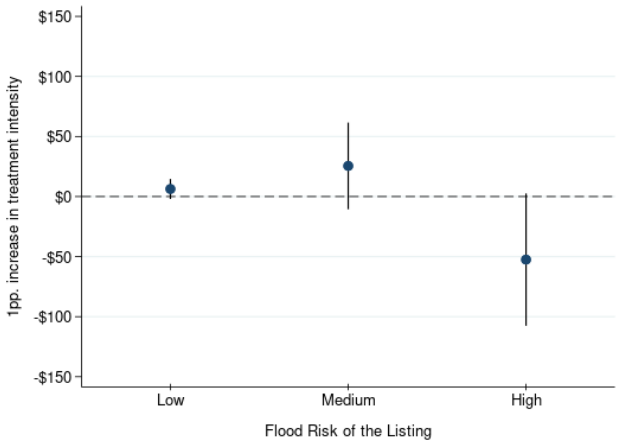
(a) ***Not*** Waterfront Listings

1PP Increase in Exposure Intensity, ($)



(b) ***Not*** FEMA Risky Listings

1PP Increase in Exposure Intensity, ($)



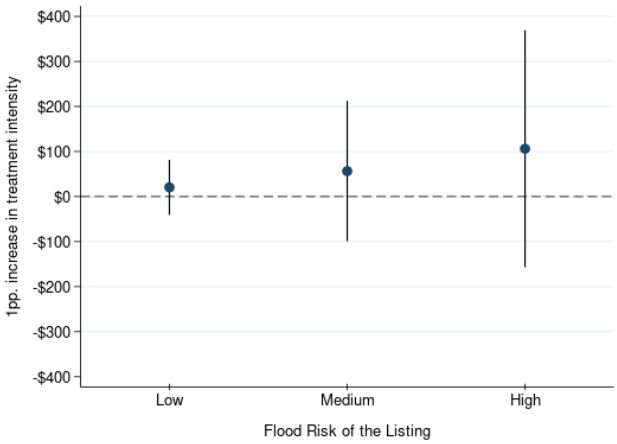
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. As well, for Figure (b), the x-axis represents the flood score of the property.

However, we did not observe a statistically significant effect of an increase in our treatment intensity variable on the difference between the *sale price* and *listing price* for properties located on the waterfront versus those classified as risky by FEMA (as shown in Figure 27), suggesting that flood risk was already priced for those properties.

Figure 27: CATE of an Increase in Exposure Intensity on the *(Sale - Listing Price)*

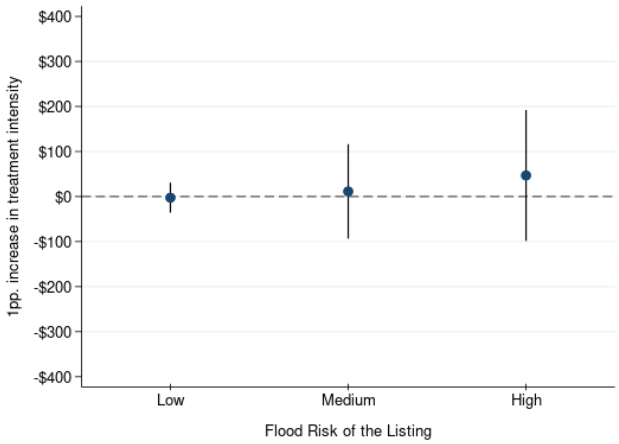
(a) Only Waterfront Listings

1PP Increase in Exposure Intensity, ($)



(b) Only FEMA Risky Listings

1PP Increase in Exposure Intensity, ($)

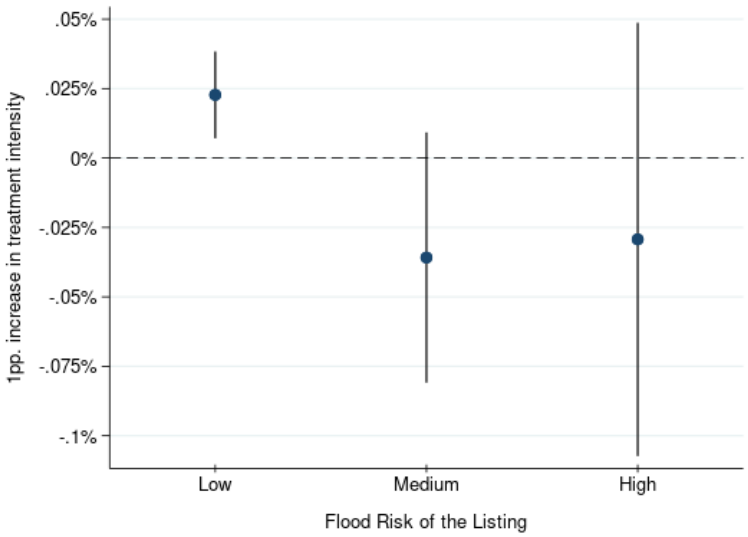


Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents the flood score of the property.

Finally, we have access to information on whether an investor bought a property. An investor is defined as any buyer whose name of the buyer of the listing includes at least one of the following keywords: LLC, Inc, Trust, Corp, Homes; or any buyer whose ownership code on a purchasing deed includes at least one of the following keywords: association, corporate trustee, company, joint venture, or corporate trust. In Figure 28, we find that low risk is treated differently by investors than medium and high risk. It seemed that for low flood risk homes, moving from 0 to 100% treated led to a 2.5 percentage point increase in the probability of an investor buying the property (over a baseline of 9.76% in the control group). Medium and high risk have a lower likelihood of purchasing home, although they are more noisy. This result does demonstrate that the flood risk is changing the expected returns of a property, and such returns are more pivotal for investors than regular homeowners.

Figure 28: CATE of an Increase in Exposure Intensity on the Probability a Listing was Bought by an Investor

% Change relative to Control



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents the flood score of the property. An investor is defined as any buyer whose name of the buyer of the listing includes at least one of the following keywords: LLC, Inc, Trust, Corp, Homes. We also define an investor as any buyer whose ownership code on a purchasing deed includes at least one of the following keywords: association, corporate trustee, company, joint venture, or corporate trust.

Our interpretation of these results is that the sales price represents the outcome of a type of auction process. For homes located in high flood risk areas for whom this information is made public to a large number of searchers, then these treated individuals are less likely to bid aggressively for the home. The winning bidder for the home will end up paying less for the home. By subtracting the asking price, we standardize the dependent variable.[34] This negative capitalization effect is likely to be even larger in cities experiencing population loss (Glaeser and Gyourko, 2005).

Our findings have implications for hedonic real estate models of amenity and disamenity capitalization. Given that homes are durable goods, dynamic hedonic analysis teaches us that the expected present discounted flow of flood risk is the right "x" variable to include in a hedonic home price regression (Bishop and Murphy, 2011, 2019; Bayer et al., 2016; Severen, Costello and Deschenes, 2018). If home buyers are forward-looking, they will base their bids and purchase price based on the expected future risk stream. This is also consistent with an extrapolative model of home buying (Glaeser and Nathanson, 2017), in that (all else equal) a high flood risk score reduced future demand for the home, and if flood risk scores are spatially correlated then a zip code that faces overall flood risk could be perceived to be on the decline

[34] Given that this is a short run experiment that the seller was unaware was taking place, the asking price is likely to be independent of the flood score.

and this makes the property even less attractive. This discussion highlights the importance of using expectations-based amenity variables when studying real estate price capitalization of climate risks when these place based risks are changing over time.

6 Conclusion

A majority of American adults live in owner-occupied housing. Such housing is often their major asset. Rising global greenhouse gas concentrations pose new place-based risks for such real estate. In the past, trusted information about these place-based risks was difficult to access. As Internet real estate platforms such as Redfin incorporate pinpoint climate risk maps into their platform this information plays a valuable role in educating home buyers. This information can play a causal role in accelerating the pace of climate change adaptation if home buyers respond to this information by becoming more discerning about how they search and buy.

Thanks to Redfin's integrated real estate platform, we are able to study the entire search process for a randomized treatment group and a control group. A unique feature of this field experiment is our ability to track how the same individuals act when searching on the internet and when they are physically taking actions, such as, searching, touring, and closing on homes. We observe a logical consistency in the treatment group's choices at every step in the housing purchase process. At each stage of the housing search process, the flood risk information influenced consumer behavior related to search, bidding, and closing. In the market overall, we find real changes in house prices with the flood risk information. All of the evidence from the field experiment in this paper points to the new news hypothesis. People were not previously aware of the risk, but now they are through an understandable piece of information that allows consumers to have the correct flood risk beliefs. This matters for climate change adaptation.

Future research could explore demand-side and supply-side factors to gain a deeper understanding of the causal effects of pinpoint climate risk information. Specifically, on the demand side, it would be beneficial to investigate how various individuals update their prior beliefs when presented with climate risk information. For example, do people become scared or more informed about another attribute of the differentiated product (i.e., the home) when they learn it faces higher risk? Given the expense of sea walls, and levees, and given the possibility of "Peltzman Effects" induced by them (Wang, 2021; Benetton et al., 2022; Bradt and Aldy, 2022; Ostriker and Russo, 2022), it is important to evaluate how to configure demand-side information to accelerate adaptation.

On the supply side, new research could focus on understanding how providers of climate

risk information can present it more effectively. For example, what presentation formats most effectively convey risk information to consumers? Additionally, it may be helpful to investigate how the credibility and reliability of the information source affects its impact on decision-making.

Our study has documented that millions of people respond to location specific risk information. This reveals that they trust this information. Going forward, fostering a competition between spatial risk modeler forecasts and identifying the best models will play an important role in determining the pace of climate risk adaptation. With access to trusted information that becomes common knowledge, real estate developers will be more likely to invest in building in locations and with materials and designs that foster resilience to flooding risk. Insurers will be more likely to engage in risk pricing that provides incentives for greater self-protection investment by those who occupy the risky homes.

Redfin is a for-profit company whose efforts to educate its customers about climate risks help them to make informed decisions. Redfin chose to incorporate the First Street Foundation risk scores on its platform. Future research could explore how different platforms decide what climate risk information to incorporate into their webpage interface. If a platform with a large market share incorporated biased estimates of place based risks, then the scaled dissemination of such information could hinder climate change adaptation.

Throughout this paper, we have assumed that sellers do not strategically respond to the ongoing field experiment. Since Redfin did not receive any complaints from sellers related to the property specific flood information, we do not believe that they were aware that the demand side experiment was unfolding. Going forward, home sellers seeking to sell an objectively climate-risky home (as measured by flood risk, fire risk, and heat risk) will know that potential buyers can go to the FSF webpage and research the home or this information is just directly on the Redfin platform. Sellers of such risky homes will be likely to have to sell at a discount unless they take proactive and credible steps to upgrade the home's resilience to climate risk. As more sellers seek to offset their homes' climate risk, this will create a new resilience market for goods ranging from better windows to shield the home from PM2.5 from wildfires to anti-flooding strategies (Acemoglu and Linn, 2004). In this sense, the diffusion of emerging risk information accelerates climate change adaptation.

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A Appendix

Figure A1: The First Street Foundation flood score matrix calculation

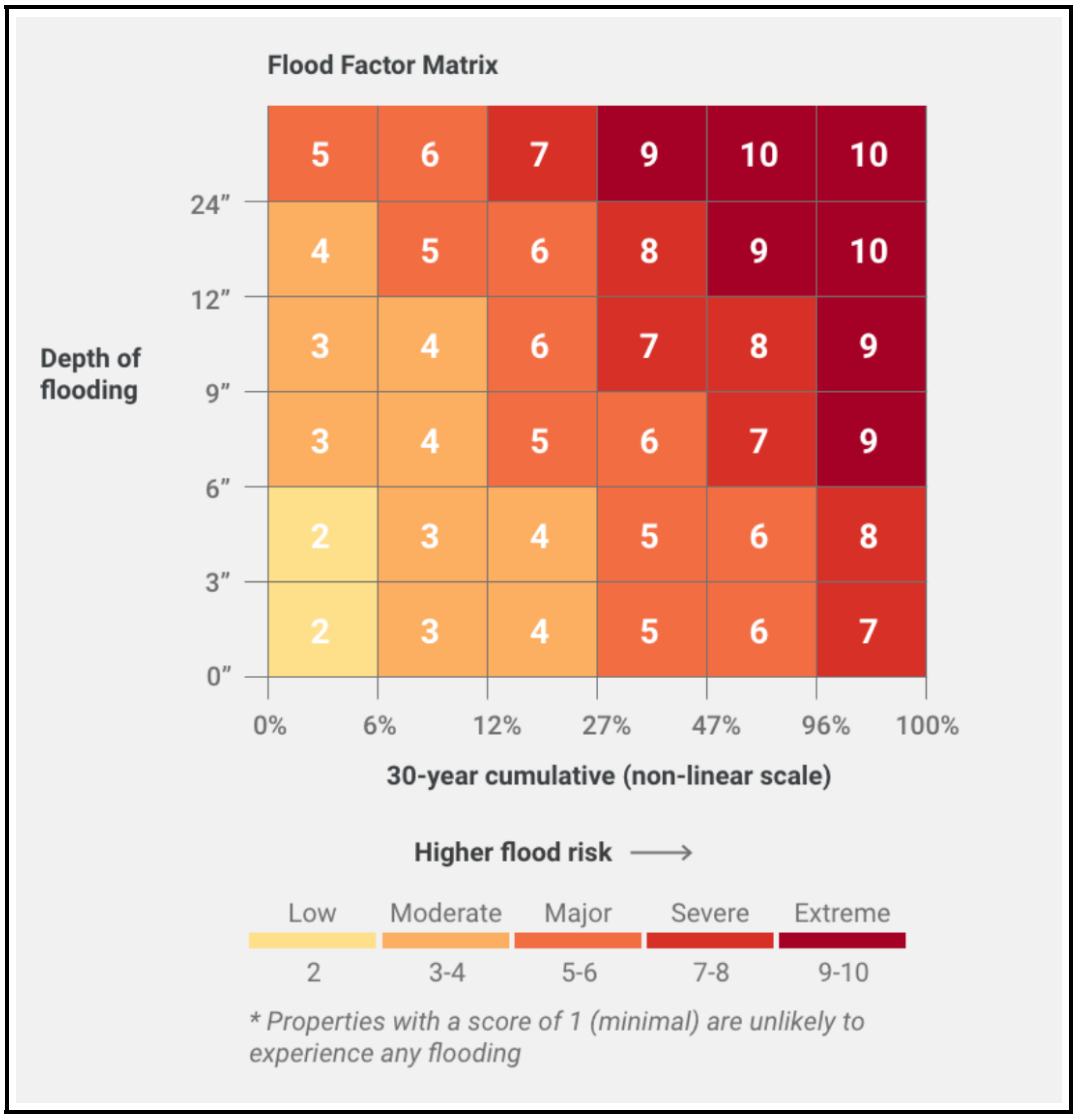
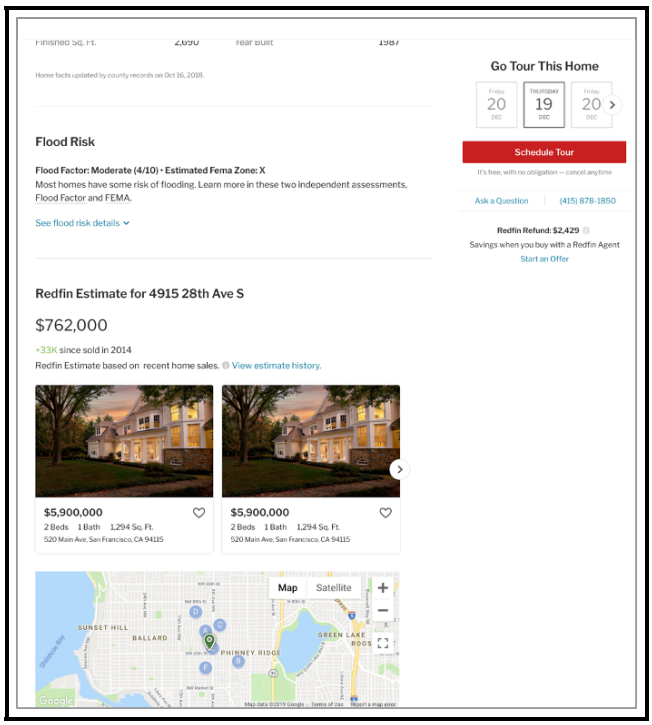


Figure A2: The Visual Experience for the Treatment Group using a Desktop and Browsing a Property with a Flood Score of 4 (i.e., Moderate)

(a) Collapsed



(b) Expanded

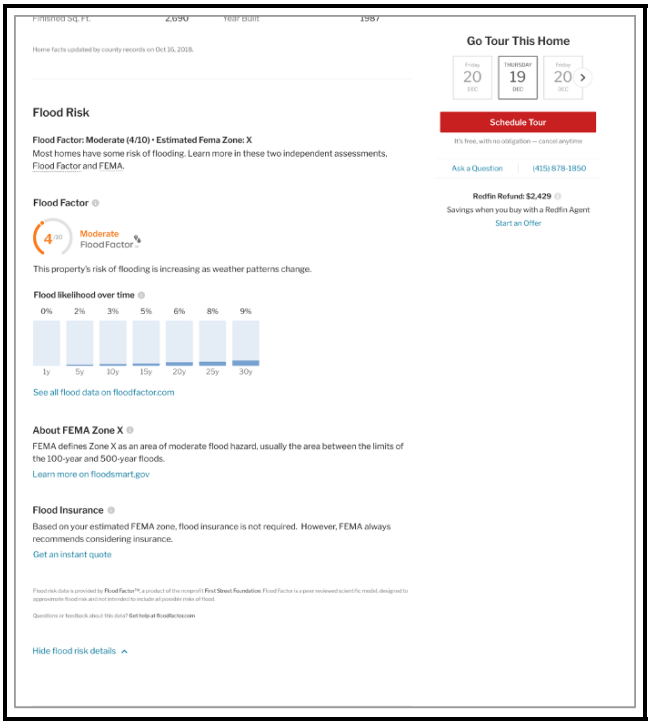


Figure A3: The Visual Experience for a Treated Individual using a Cellphone and Browsing a Property with a Flood Score of 4 (i.e., Moderate)

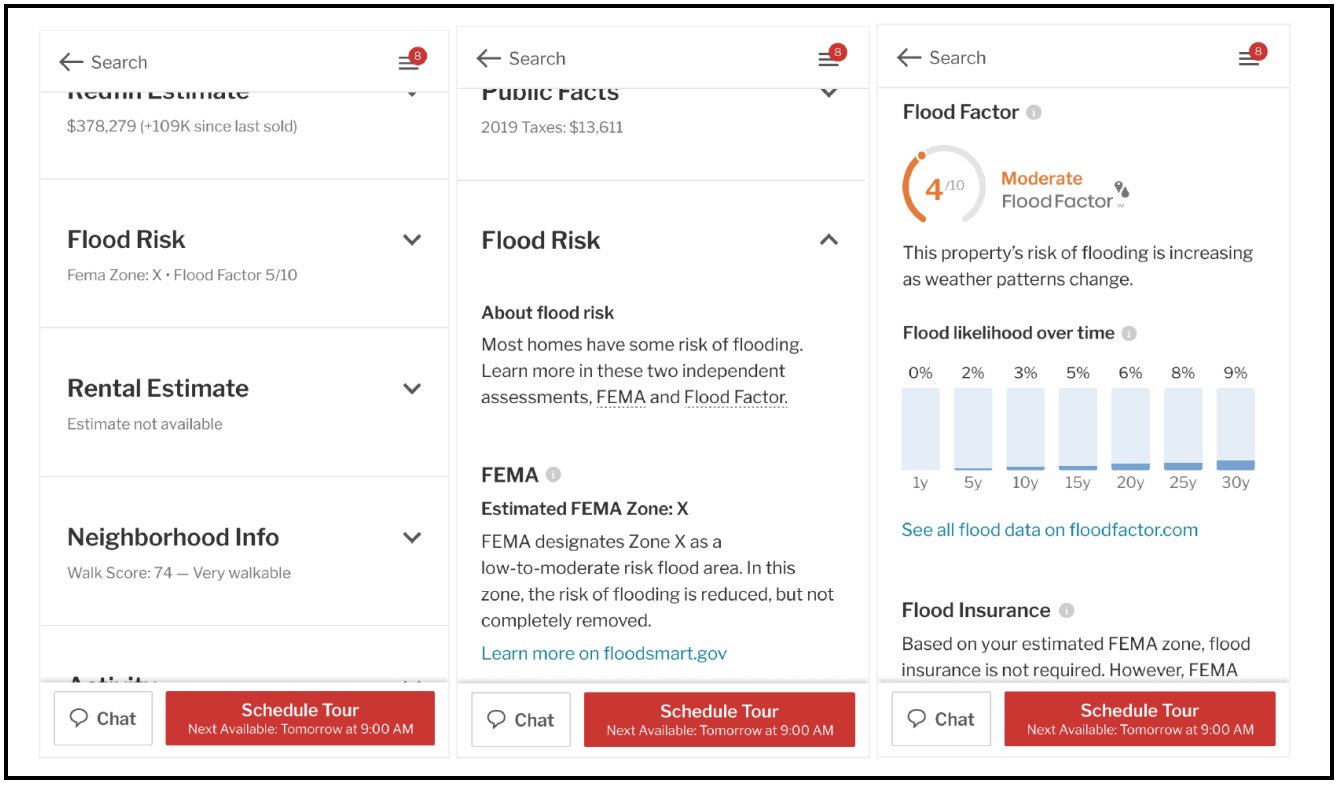


Figure A4: Colors and Labels of Flood Scores Displayed

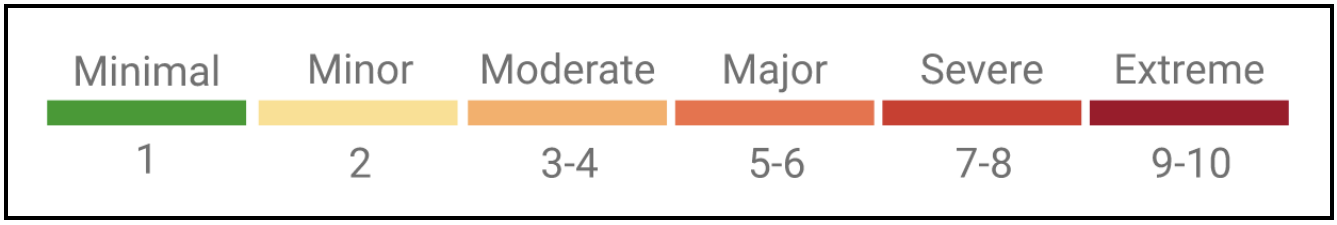


Figure A5: Number of Users Entering the Experiment

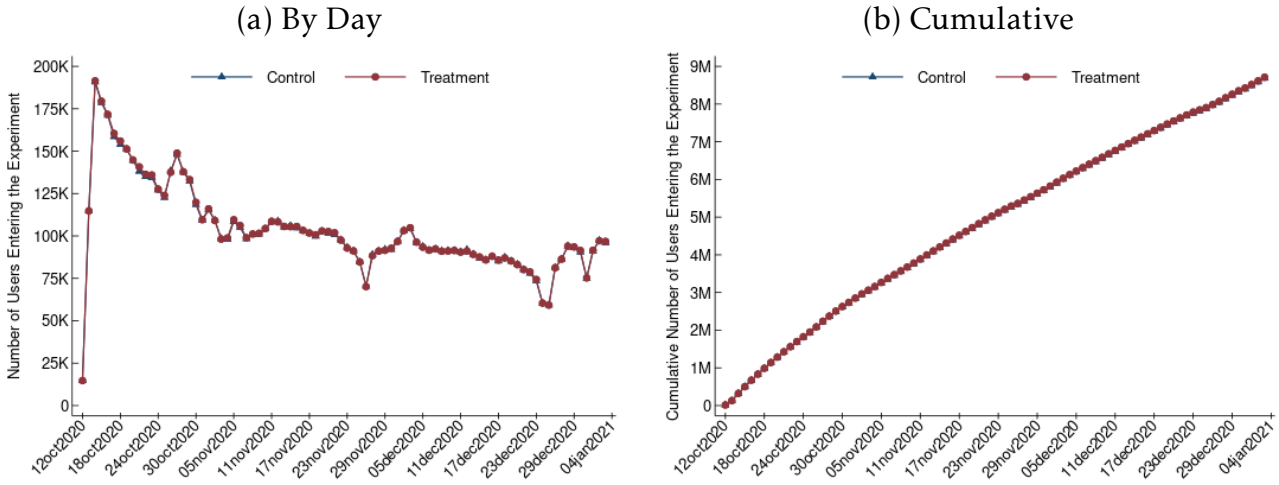


Table A1: Balance Tests

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Treatment	-0.000	0.000	0.000	0.000	-0.000	-0.001	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	1.179***	2.286***	1.357***	2024.415***	485799.127***	0.369***	7085.469***
	(0.001)	(0.001)	(0.000)	(0.711)	(333.888)	(0.000)	(2.706)
Obs.	20,263,675	19,553,720	19,749,101	19,702,920	19,276,527	20,007,907	20,263,675

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Coefficients are in the form of $(e^{\beta} - 1)$.

Table A2: Balance Tests

	(1) New Construction	(2) Short Sale	(3) Year Built	(4) Walk Score	(5) Transit Score	(6) Bike Score
Treatment	0.000	0.000	0.000	-0.003**	-0.001	-0.001
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	0.037***	0.007***	1972.515***	24.693***	32.771***	34.417***
	(0.000)	(0.000)	(0.021)	(0.019)	(0.016)	(0.016)
Obs.	20,263,675	20,263,675	19,710,317	18,362,013	10,963,216	19,221,707

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Except for columns (1) and (2), coefficients are in the form of $(e^{\beta} - 1)$.

Table A3: Balance Tests for Registered Users

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Treatment	0.012	-0.004**	-0.040	-20.732	51497.580	0.000	-1.047
	(0.011)	(0.001)	(0.035)	(17.045)	(60686.895)	(0.001)	(5.388)
Constant	4.616***	3.427***	2.717***	2347.868***	798274.542***	1.749***	6974.568***
	(0.343)	(0.006)	(0.071)	(13.855)	(23944.058)	(0.007)	(125.229)
Obs.	3,886,331	3,832,821	3,828,927	3,811,433	3,827,826	3,845,367	3,886,331

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Coefficients are in the form of $(e^{\beta} - 1)$.

Table A4: Balance Tests for Registered Users

	(1) New Construction	(2) Short Sale	(3) Year Built	(4) Walk Score	(5) Transit Score	(6) Bike Score
Treatment	0.000	-0.000	-0.000	0.000	-0.000	0.002
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	0.035***	0.005***	1971.718***	25.411***	32.484***	35.014***
	(0.000)	(0.000)	(0.056)	(0.052)	(0.044)	(0.045)
Obs.	3,756,792	3,756,792	3,687,767	3,479,666	2,197,226	3,609,231

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Except for columns (1) and (2), coefficients are in the form of $(e^{\beta} - 1)$.

Table A5: Balance Tests for Registered Users (Low Flood Score)

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Treatment	0.001	-0.001	-0.002	-0.003	-0.007*	0.000	-0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	1.688***	2.306***	1.368***	2043.907***	509464.695***	0.243***	5967.618***
	(0.065)	(0.003)	(0.002)	(2.925)	(2336.592)	(0.000)	(112.946)
Obs.	3,201,727	3,150,989	3,164,474	3,154,546	3,157,116	3,192,673	3,201,727

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Coefficients are in the form of $(e^{\beta} - 1)$.

Table A6: Balance Tests for Registered Users (Low Flood Score)

	(1) New Construction	(2) Short Sale	(3) Year Built	(4) Walk Score	(5) Transit Score	(6) Bike Score
Treatment	0.000	-0.000	-0.000	-0.001	-0.001	0.001
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	0.036***	0.005***	1971.660***	25.146***	32.104***	34.440***
	(0.000)	(0.000)	(0.203)	(0.113)	(0.253)	(0.070)
Obs.	3,201,727	3,201,727	3,156,132	2,984,810	1,897,289	3,093,164

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Except for columns (1) and (2), coefficients are in the form of $(e^{\beta} - 1)$.

Table A7: Balance Tests for Registered Users (Medium Flood Score)

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Treatment	-0.002	-0.002	-0.004	-0.005	-0.011	0.003	0.004
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	1.479***	2.061***	1.255***	1871.379***	490104.659***	1.693***	6393.800***
	(0.049)	(0.004)	(0.002)	(5.119)	(2866.718)	(0.007)	(102.238)
Obs.	496,765	484,654	487,313	484,647	489,071	495,171	496,765

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Coefficients are in the form of $(e^{\beta} - 1)$.

Table A8: Balance Tests for Registered Users (Medium Flood Score)

	(1) New Construction	(2) Short Sale	(3) Year Built	(4) Walk Score	(5) Transit Score	(6) Bike Score
Treatment	-0.001	-0.000	-0.000	0.006	0.001	0.004
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	0.034***	0.006***	1971.419***	27.544***	34.902***	38.944***
	(0.000)	(0.000)	(0.171)	(0.184)	(0.220)	(0.138)
Obs.	496,765	496,765	485,020	454,676	282,374	473,876

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Except for columns (1) and (2), coefficients are in the form of $(e^{\beta} - 1)$.

Table A9: Balance Tests for Registered Users (High Flood Score)

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Treatment	-0.014	0.011	0.014	0.018	0.006	-0.005	-0.002
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	1.346***	1.750***	1.251***	1744.026***	501075.050***	6.417***	7333.455***
	(0.040)	(0.015)	(0.012)	(21.034)	(12133.754)	(0.031)	(103.815)
Obs.	34,191	33,072	33,295	33,127	33,716	33,992	34,191

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Coefficients are in the form of $(e^{\beta} - 1)$.

Table A10: Balance Tests for Registered Users (High Flood Score)

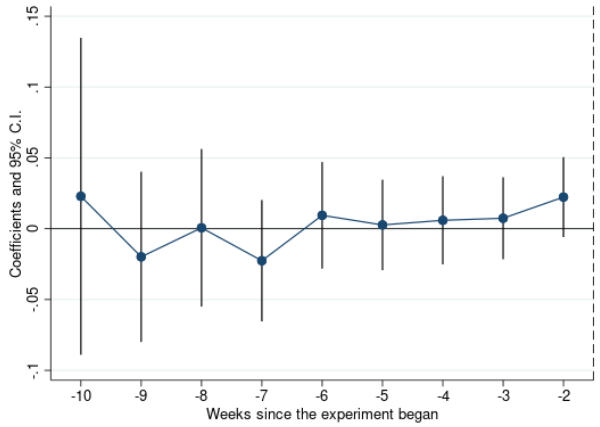
	(1) New Construction	(2) Short Sale	(3) Year Built	(4) Walk Score	(5) Transit Score	(6) Bike Score
Treatment	0.009**	-0.001	0.000	0.034	0.040*	0.018
	(0.000)	(0.000)	(0.000)	(0.001)	(0.001)	(0.000)
Constant	0.030***	0.006***	1977.218***	23.030***	34.823***	40.533***
	(0.000)	(0.000)	(0.458)	(0.490)	(0.414)	(0.377)
Obs.	34,191	34,191	33,193	30,790	13,613	32,271

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Except for columns (1) and (2), coefficients are in the form of $(e^{\beta} - 1)$.

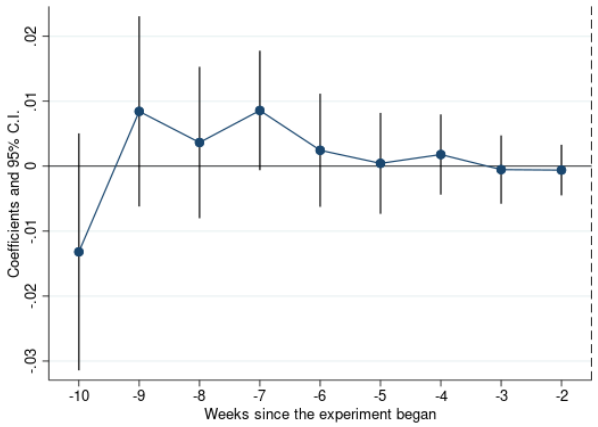
Figure A6: Balance Tests Trajectories

Estimates relative to the week before the experiment began

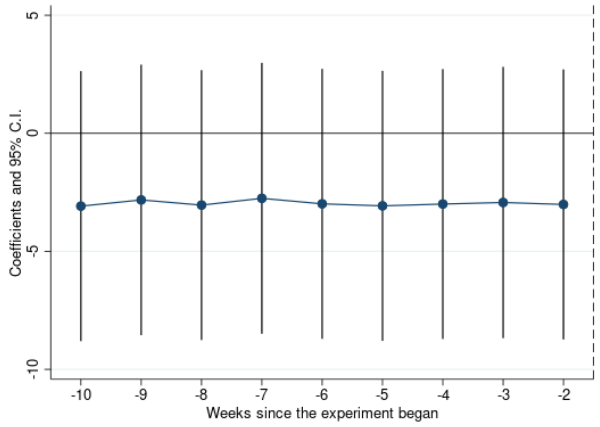
(a) Views



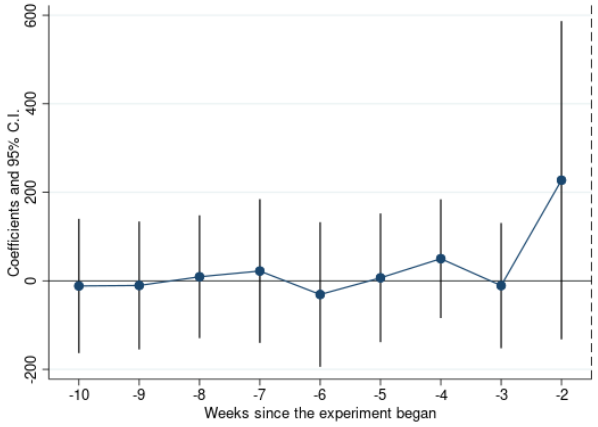
(b) Bedrooms



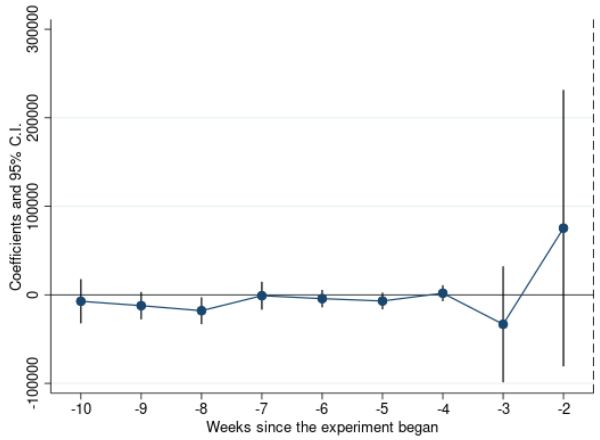
(c) Bathrooms



(d) Sq. Ft.



(e) List Price



(f) Flood Score

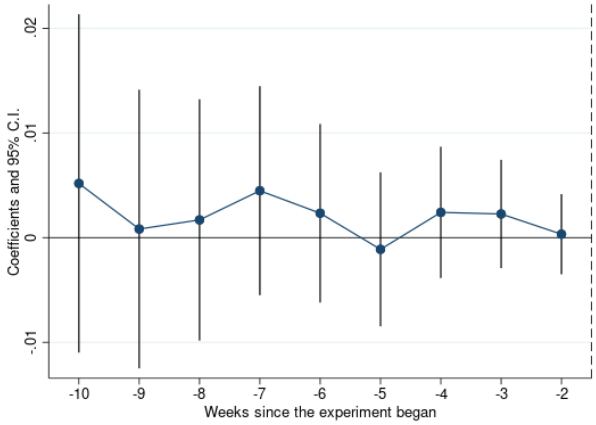


Table A11: Pre-Experiment Distribution of Flood Score for Users by Treatment Status

Number of Users; Column Percentages in Parenthesis

Flood Score Category	Control	Treatment	Total
Low	2,382,113	2,383,094	4,765,207
	(82.79)	(82.84)	(82.82)
Medium	435,051	433,629	868,680
	(15.12)	(15.07)	(15.10)
High	60,086	60,037	120,123
	(2.07)	(2.08)	(2.08)
Total	2,877,250	2,876,760	5,754,010
	(100.00)	(100.00)	(100.00)

Table A12: Pre-Experiment Distribution of Flood Score for Registered Users by Treatment Status

Number of Registered Users; Column Percentages in Parenthesis

Flood Score Category	Control	Treatment	Total
Low	369,997	369,779	739,776
	(83.41)	(83.46)	(82.82)
Medium	66,976	66,566	133,542
	(15.10)	(15.02)	(15.10)
High	6,592	6,707	13,299
	(1.49)	(1.51)	(1.50)
Total	443,565	443,052	886,617
	(100.00)	(100.00)	(100.00)

Table A13: Registered vs. Non-Registered Users During the Pre-Experiment Phase

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Registered	0.313***	-0.009***	-0.003***	-0.007***	0.063***	0.031***	-0.194***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	1.023***	2.292***	1.356***	2025.810***	475826.054***	0.359***	7508.680***
	(0.000)	(0.000)	(0.000)	(0.547)	(249.535)	(0.000)	(2.022)
Obs.	19,091,234	18,401,110	18,592,661	18,551,868	18,117,389	18,848,928	19,091,234

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Coefficients are in the form of $(e^{\beta} - 1)$.

Table A14: Registered vs. Non-Registered Users During the Pre-Experiment Phase

	(1) New Construction	(2) Short Sale	(3) Year Built	(4) Walk Score	(5) Transit Score	(6) Bike Score
Registered	-0.002***	-0.003***	-0.001***	0.042***	-0.011***	0.027***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Constant	0.037***	0.008***	1972.762***	24.336***	32.853***	34.106***
	(0.000)	(0.000)	(0.016)	(0.014)	(0.013)	(0.013)
Obs.	19,091,234	19,091,234	18,558,011	17,264,853	10,223,715	18,090,938

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Except for columns (1) and (2), coefficients are in the form of $(e^{\beta} - 1)$.

Table A15: ATE on the Characteristics of the Homes Viewed

Coefficients in terms of Elasticity, % Change relative to Control

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Experiment began	21.896***	0.091***	0.100***	-0.346***	-2.783***	1.082***	-7.009***
	(0.056)	(0.022)	(0.026)	(0.034)	(0.065)	(0.035)	(0.039)
Treatment	-0.026	0.061	0.020	0.030	0.031	-0.065	0.043
	(0.075)	(0.033)	(0.039)	(0.051)	(0.100)	(0.050)	(0.054)
Diff-in-diffs	-0.010	-0.044	-0.004	-0.016	-0.027	-0.015	-0.060
	(0.079)	(0.032)	(0.037)	(0.048)	(0.092)	(0.049)	(0.055)
Obs.	82,829,780	79,522,502	80,268,396	80,114,762	78,399,668	81,365,064	82,829,780

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Note: Coefficients are in the form of $((e^{\beta}-1)\cdot 100)$ from equation 17.

Table A16: ATE on the Characteristics of the Homes Viewed with Pre-Experiment Information

Coefficients in terms of Elasticity, % Change relative to Control

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Experiment began	28.066***	0.210***	0.463***	-0.136***	0.704***	1.586***	-12.333***
	(0.065)	(0.025)	(0.029)	(0.038)	(0.072)	(0.038)	(0.045)
Treatment	-0.032	0.062	0.020	0.032	0.031	-0.065	0.040
	(0.076)	(0.033)	(0.039)	(0.051)	(0.100)	(0.050)	(0.055)
Diff-in-diffs	0.070	-0.048	-0.008	-0.036	0.019	-0.023	-0.059
	(0.091)	(0.035)	(0.041)	(0.053)	(0.102)	(0.053)	(0.063)
Obs.	60,606,062	59,045,933	59,514,136	59,398,412	58,427,212	60,459,949	60,606,062

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Note: Coefficients are in the form of $((e^{\beta}-1)\cdot 100)$ from equation 17.

Table A17: ATE for Registered Users on the Characteristics of the Homes Viewed

Coefficients in terms of Elasticity, % Change relative to Control

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Experiment began	20.278***	0.336***	0.288***	-0.311***	-2.917***	0.837***	-7.926***
	(0.155)	(0.058)	(0.069)	(0.090)	(0.175)	(0.087)	(0.109)
Treatment	0.023	-0.118	-0.230*	-0.295*	-0.731**	-0.068	0.029
	(0.209)	(0.087)	(0.103)	(0.135)	(0.268)	(0.128)	(0.153)
Diff-in-diffs	-0.021	0.096	0.091	0.116	0.193	-0.078	-0.183
	(0.219)	(0.082)	(0.097)	(0.126)	(0.246)	(0.123)	(0.154)
Obs.	15,074,700	14,779,817	14,837,436	14,771,224	14,834,564	14,889,899	15,074,700

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Note: Coefficients are in the form of $((e^{\beta}-1)\cdot 100)$ from equation 17.

Table A18: ATE for Registered Users on the Characteristics of the Homes Viewed with Pre-Experiment Information

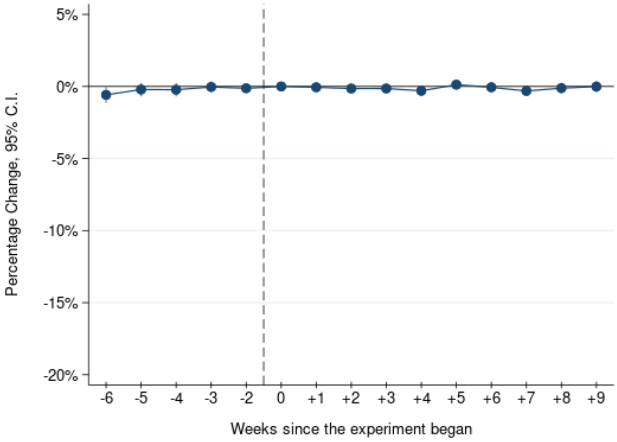
Coefficients in terms of Elasticity, % Change relative to Control

	(1) Views	(2) Bedrooms	(3) Bathrooms	(4) Sq. Ft.	(5) List Price	(6) Flood Score	(7) HHI Zip
Experiment began	19.570***	0.498***	0.485***	0.065	-1.488***	0.868***	-9.129***
	(0.160)	(0.060)	(0.070)	(0.092)	(0.179)	(0.089)	(0.113)
Treatment	0.032	-0.109	-0.226*	-0.279*	-0.701**	-0.068	0.018
	(0.210)	(0.087)	(0.103)	(0.135)	(0.269)	(0.128)	(0.153)
Diff-in-diffs	-0.059	0.083	0.097	0.137	0.289	-0.055	-0.098
	(0.227)	(0.084)	(0.099)	(0.129)	(0.252)	(0.126)	(0.159)
Obs.	13,746,356	13,538,474	13,588,603	13,544,431	13,584,855	13,704,992	13,746,356

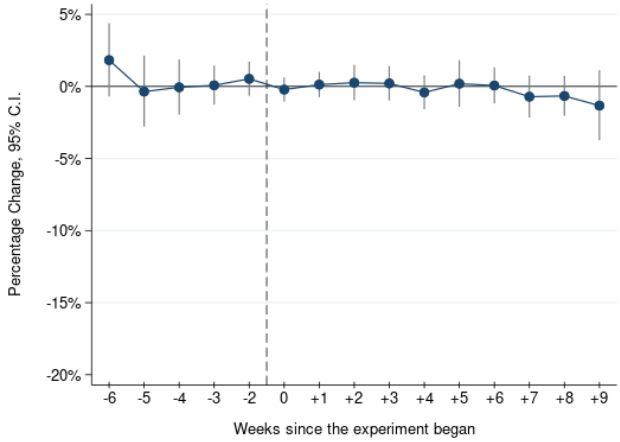
Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Note: Coefficients are in the form of $((e^{\beta}-1)\cdot 100)$ from equation 17.

Figure A7: Event-time Study on the Average Daily Flood Score of Properties Searched for Registered Users

(a) *Low*



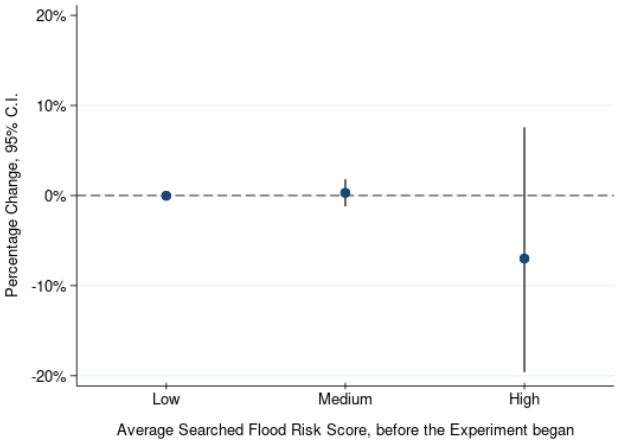
(b) *Medium*



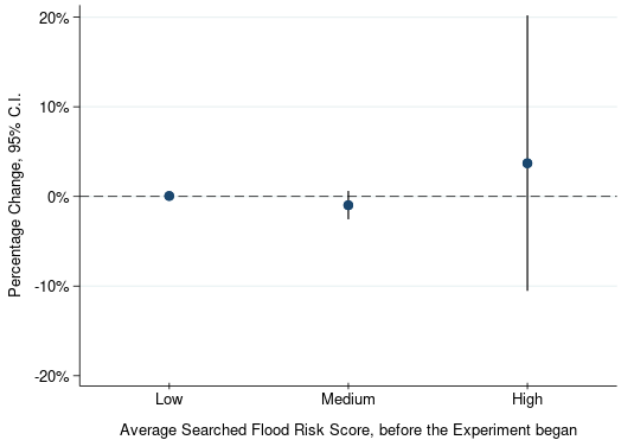
Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 19. Coefficients are relative to the week before a user entered the experiment. Vertical lines crossing the estimates are confidence intervals at the 95% level. The vertical dashed line represents the beginning of the experiment for a user. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A8: CATE on the Average Flood Score of a Daily Search for Registered Users, by Characteristics of Most Searched Destination and Origin Zip Code at Baseline

(a) **Lower Mean** Flood Score at Destination Zip Code than Origin



(b) **Higher Mean** Flood Score at Destination Zip Code than Origin

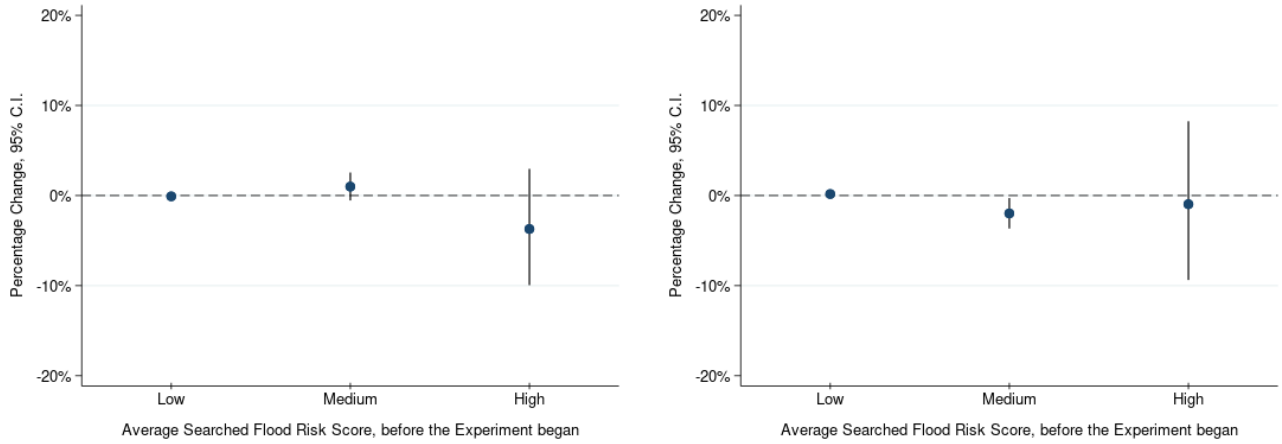


Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A9: CATE on the Average Flood Score of a Daily Search for Registered Users, by Flood Characteristics of the Most Searched Destination and Origin Zip Code at Baseline

(a) **Lower Standard Deviation** Flood Score at Destination Zip Code than Origin

(b) **Higher Standard Deviation** Flood Score at Destination Zip Code than Origin

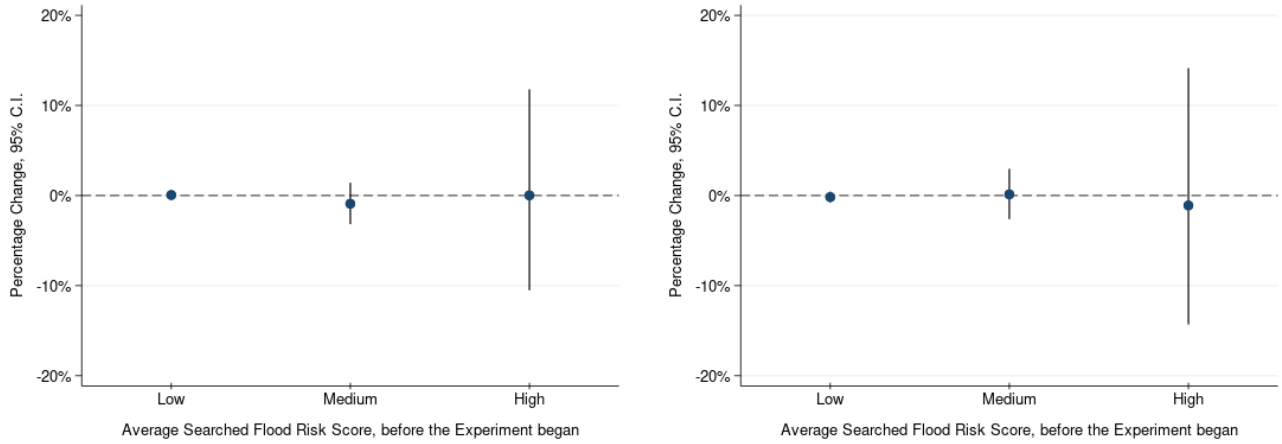


Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A10: CATE on the Average Flood Score of a Daily Search for Registered Users, by Redfin's Probability of Registered User Buying a House at Baseline

(a) **Bottom 90** of Redfin's Probability

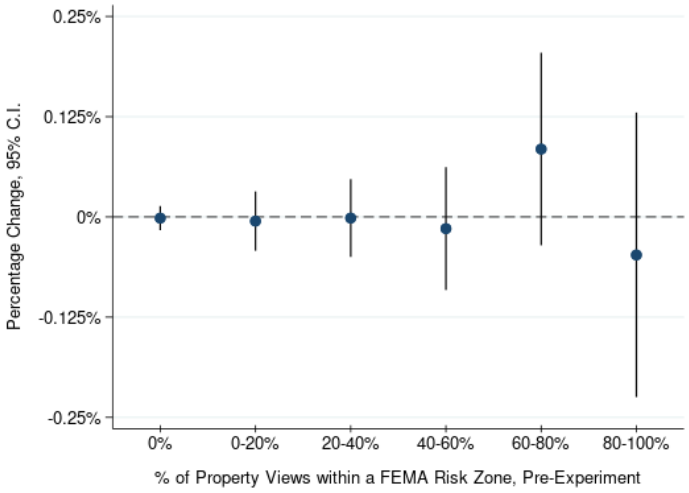
(b) **Top 10** of Redfin's Probability



Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A11: CATE on the Average Flood Score of a Daily Search for Registered Users, by Percentage of Properties Considered by FEMA to be Risky Searched at Baseline

% Change relative to Control

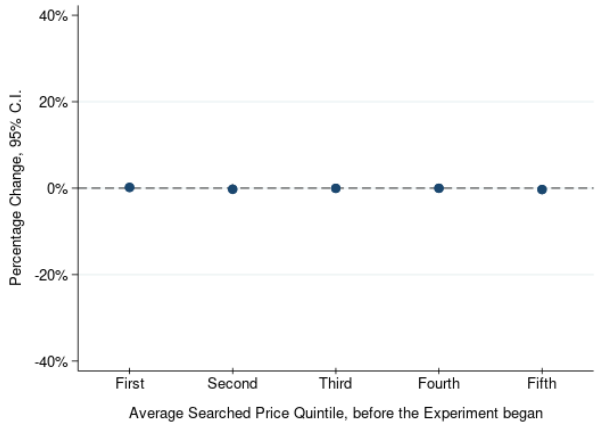


Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

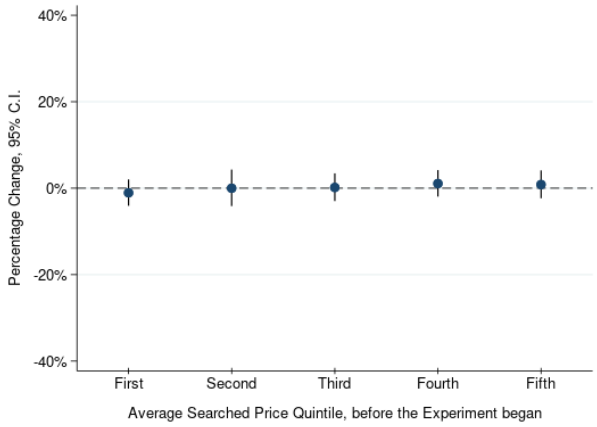
Figure A12: CATE on the Average Flood Score of a Daily Search for Registered Users, by Within-City Average Price Quintile Search at Baseline

Stratified by Average Flood Score Search at Baseline

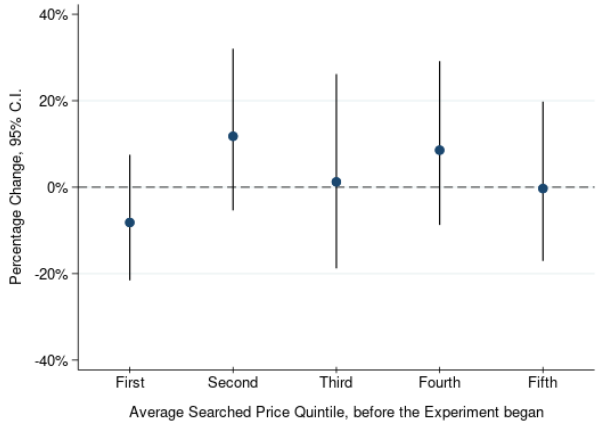
(a) Low



(b) Medium



(c) High



Note: Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 19. Vertical lines crossing the estimates are confidence intervals at the 95% level. The x-axis represents the baseline average listing price quintile within a city search category of each user pre-experiment.

Figure A13: CATE on the Probability of Platform Registration

% Change relative to Control

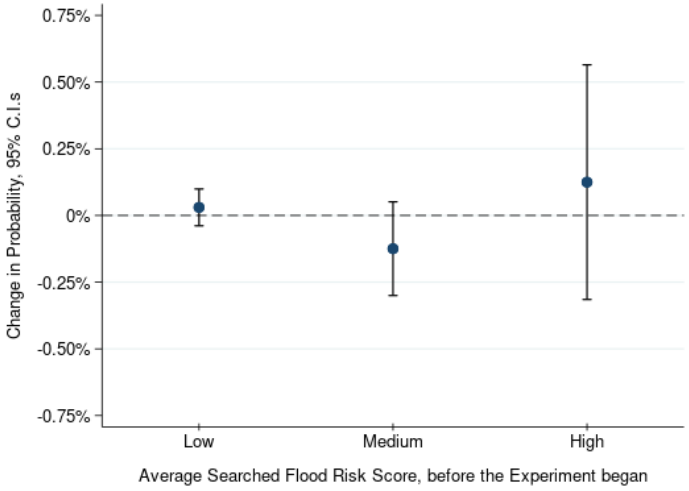


Table A19: Average Treatment Effects on Platform Activity

Coefficients in terms of Elasticity, % Change relative to Control

	(1) Total Seconds	(2) Number Sessions	(3) Unique Home Views	(4) Total Home Views
Experiment began	241.484***	0.137**	0.701***	1.008***
	(59.910)	(0.051)	(0.179)	(0.253)
Treatment	-0.515	-0.001	-0.004	-0.007*
	(0.479)	(0.000)	(0.002)	(0.003)
Diff-in-diffs	2.372**	0.000	0.003	0.005
	(0.849)	(0.001)	(0.003)	(0.005)
Obs.	91,974,850	91,974,850	91,974,850	91,974,850

Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Note: Coefficients are in the form of $((e^{\beta} - 1) \cdot 100)$ from equation 17.

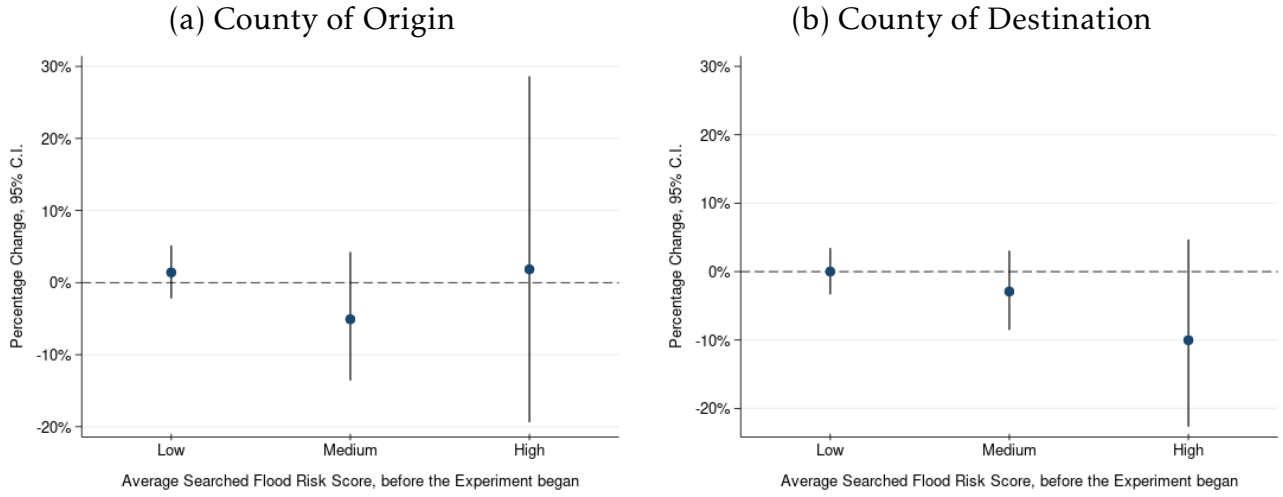
Table A20: ATE for Registered Users on the Activity on the Platform

Coefficients in terms of Elasticity, % Change relative to Control

	(1) Total Seconds	(2) Number Sessions	(3) Unique Home Views	(4) Total Home Views
Experiment began	302.408**	0.207*	0.824**	1.152**
	(99.207)	(0.080)	(0.288)	(0.400)
Treatment	-0.180	-0.002*	-0.002	-0.005
	(1.042)	(0.001)	(0.004)	(0.005)
Diff-in-diffs	3.884**	0.004**	0.005	0.010
	(1.347)	(0.001)	(0.005)	(0.007)
Obs.	27,034,546	27,034,546	27,034,546	27,034,546

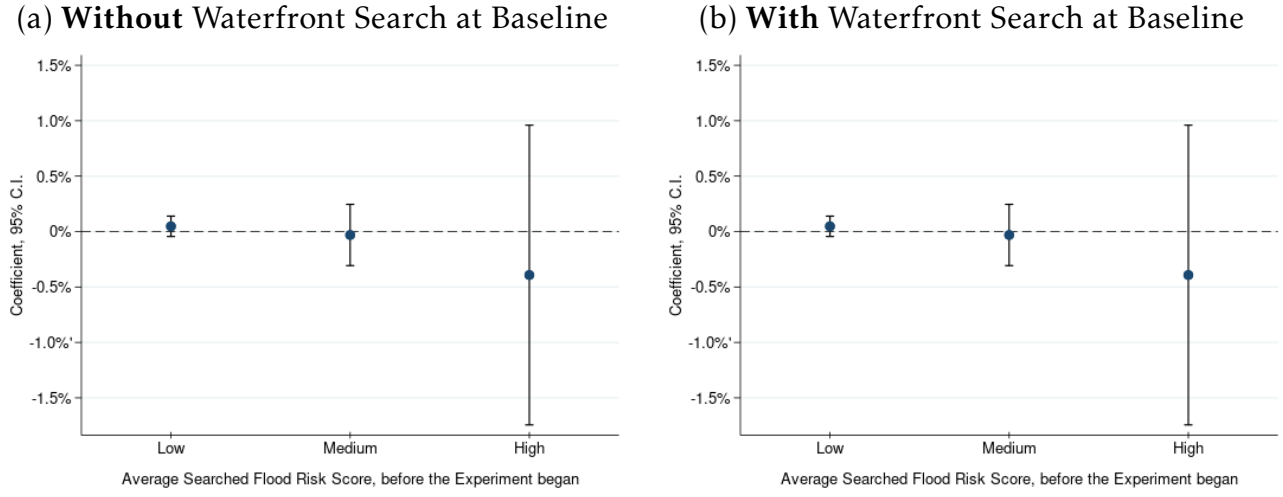
Note: *** p<0.001, ** p<0.01, * p<0.05. Standard Errors Clustered at the User Level. Note: Coefficients are in the form of $((e^{\beta} - 1) \cdot 100)$ from equation 17.

Figure A14: CATE on the Average Flood Score of a Daily Search for Registered Users, by whether the user's county of origin or destination search at baseline experienced a flood shock in the past 7 days



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. The x-axis represents each user's baseline average flood score search category before the experiment began.

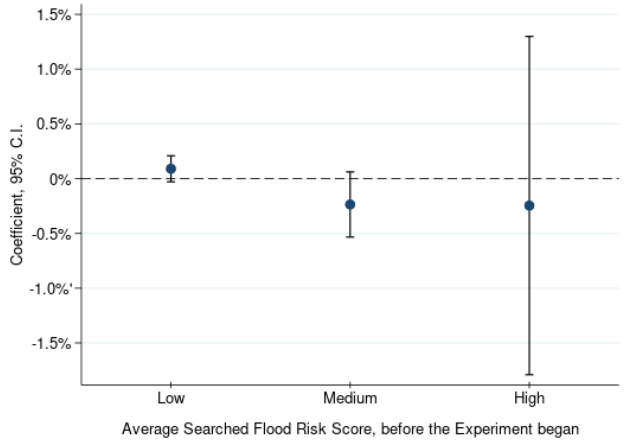
Figure A15: CATE on the Percentage of Times Registered Users Engaged with the Flood Risk Section of a Listing per Day



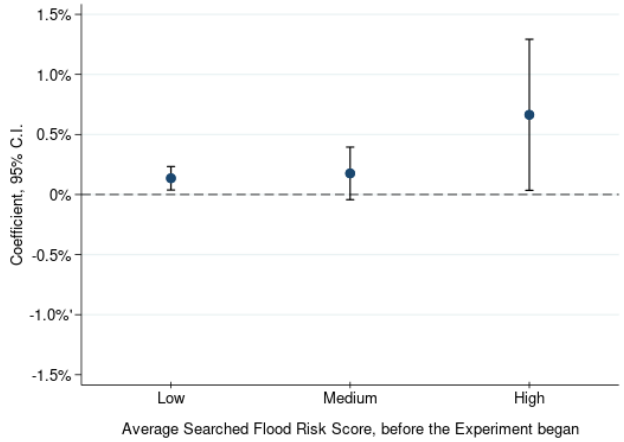
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who did not browse any waterfront property before the experiment are classified as "without" waterfront search at baseline. On the other hand, users who browsed at least one waterfront property before the experiment are classified as "with" waterfront search at baseline.

Figure A16: CATE on the Percentage of Times Registered Users Engaged with the Flood Risk Section of a Listing per Day

(a) **Without** FEMA Risk Search at Baseline



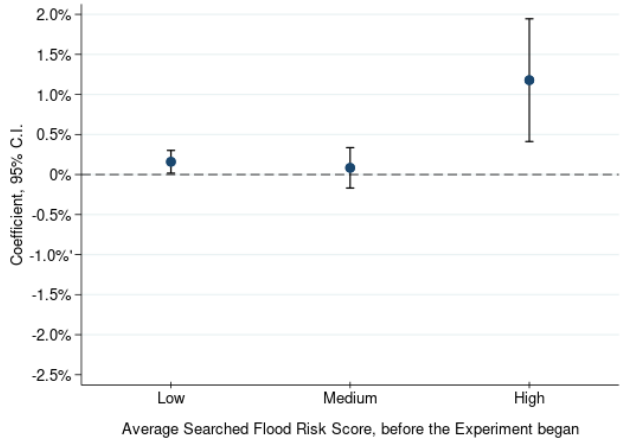
(b) **With** FEMA Risk Search at Baseline



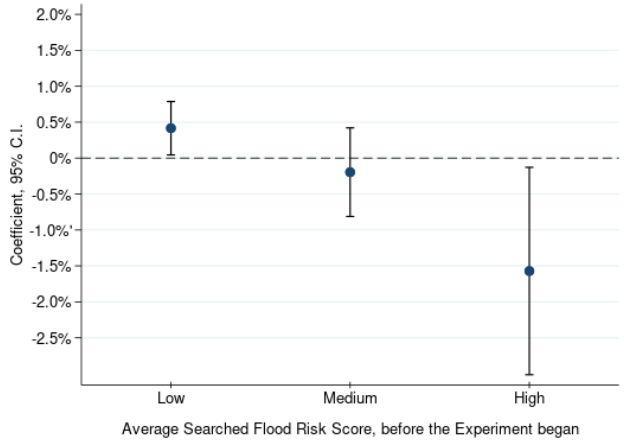
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who did not browse any property considered risky by FEMA before the experiment are classified as "without" FEMA risk search at baseline. On the other hand, users who browsed at least one property considered risky by FEMA before the experiment are classified as "with" FEMA risk search at baseline.

Figure A17: CATE on the Percentage of Times Registered Users Engaged with the Flood Risk Section of a Listing per Day

(a) **With** Waterfront and **Without** Coastal Search at Baseline



(b) **With** Waterfront and **With** Coastal Search at Baseline



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Users who browsed at least one waterfront property before the experiment are classified as "with" waterfront search at baseline. A property is classified as being located on the coast when its geographic coordinates (latitude and longitude) are 200 meters or less from the nearest shoreline. Users who did not browse any coastal property before the experiment are classified as "without" coastal search at baseline. On the other hand, users who browsed at least one coastal property before the experiment are classified as "with" coastal search at baseline.

A.1 Nonparametric Heterogeneous Treatment Effects

We seek to identify the conditional average treatment effect on the treated (CATE), which seeks to identify differences in treatment effects within the population and how big these differences are with an estimand defined as:

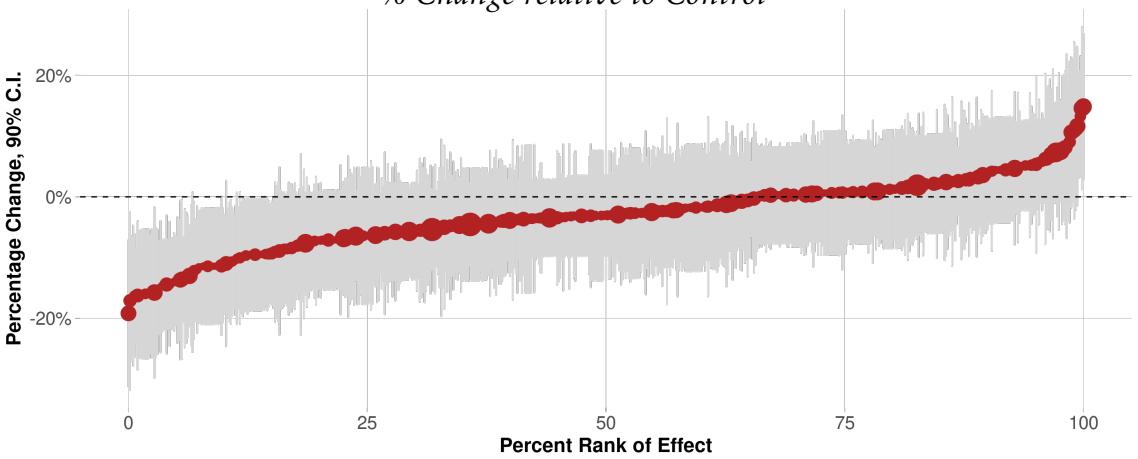
$$\text{CATE} \equiv \tau(X) = \mathbb{E}\left[Y_i^{(1)} - Y_i^{(0)} \mid X_i = x\right] = \mu_1(x) - \mu_0(x) \tag{21}$$

Where $Y_i^{(1)}$ and $Y_i^{(0)}$ are the potential outcomes of outcome, Y, with observed covariates, $X \in \mathbb{R}$, for individual, i. The goal is to identify the CATE or $\tau(X)$ which is the difference in potential outcomes that equates to the difference in the conditional expectation of x: $\mu_1(x) - \mu_0(x)$. Given that our treatment was randomized, we could estimate $\tau(x)$ via estimator 18. However, estimator 18 relies on the linearity assumption of the effect that covariates, X_i, have on the treatment. If these effects were non-linear, our calculated estimates would be biased or wouldn't cover the entire distribution of heterogeneous treatment effects. We rely on causal forests, a Generalized Random Forest algorithm, to relax this assumption and not provide a parametric form (Athey, Tibshirani and Wager, 2019; Athey and Wager, 2021). Causal forests are built to identify how treatment effects vary across users by maximizing the difference in the relationship between our target variable (i.e., our outcome variable) and a specific feature (i.e., our treatment indicator) within other features (i.e., our baseline covariates). This method employs a splitting criterion optimized for detecting splits that reveal treatment effect heterogeneity. The objective is to identify leaf nodes where the treatment effect is constant but distinct from other leaves.

In our analyses, we utilize baseline variables as covariates, X. We use the most searched city, the device most used by the user to browse the web (i.e., mobile or desktop), the number of weeks since the user entered the experiment, and the baseline average flood of all the houses viewed by user, i. We randomly split our data into training (70%) and testing (30%) samples. We used the training sample to fit a causal forest with 50,000 trees grown in the forest and four grown trees on each subsample. After training the causal forest, we predicted conditional treatment effects on the testing sample and a 90% confidence interval around each one. On each graph presented below, we show the percent rank of the conditional average treatment effects with a 90% confidence interval, where a bigger coefficient size tells us that more observations lie within the branch of the calculated conditional average treatment effect.

Figure A18: Causal Forest—**High** Risk Group

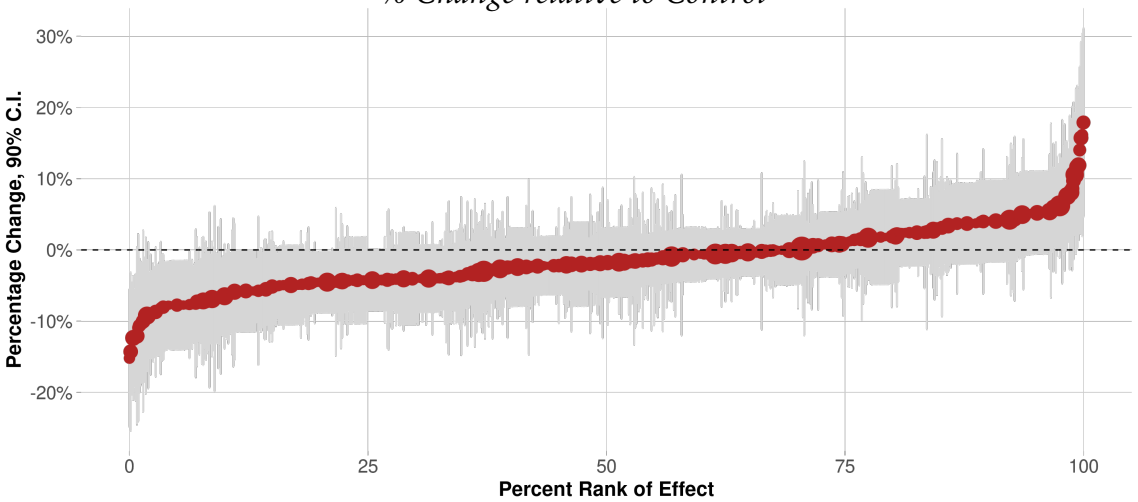
% Change relative to Control



Note: The causal forest was trained on 70% of the extreme risk universe, and the plotted effects are calculated on 30% of the rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

Figure A19: Causal Forest—**Medium** Risk Group

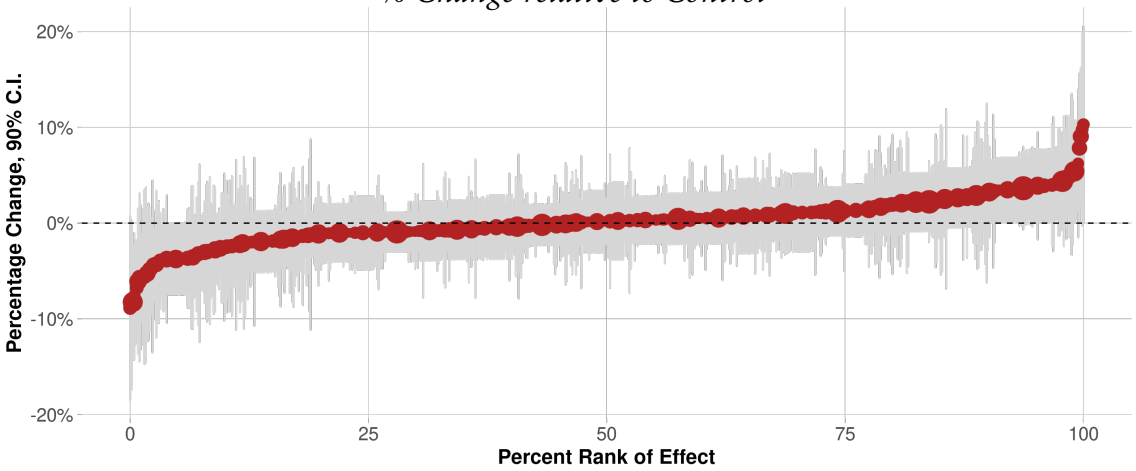
% Change relative to Control



Note: The causal forest was trained on 70% of the severe risk universe, and the plotted effects are calculated on 30% of the rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

Figure A20: Causal Forest—**Low** Risk Group

% Change relative to Control



Note: The causal forest was trained on 70% of the major risk universe, and the plotted effects are calculated on 30% of the rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

A.2 Six Categories

Table A21: Pre-Experiment Distribution of Flood Score for Users by Treatment Status

Number of Users; Column Percentages in Parenthesis

Flood Score Category	Control	Treatment	Total
Minimal	1,962,300	1,963,483	3,925,783
	(68.20)	(68.25)	(68.23)
Minor	419,813	419,611	839,424
	(14.59)	(14.59)	(14.59)
Moderate	323,050	322,315	645,365
	(11.23)	(11.20)	(11.22)
Major	112,001	111,314	223,315
	(3.89)	(3.87)	(3.88)
Severe	29,470	29,681	59,151
	(1.02)	(1.03)	(1.03)
Extreme	30,616	30,356	60,972
	(1.05)	(1.05)	(1.05)
Total	2,877,250	2,876,760	5,754,010
	(100.00)	(100.00)	(100.00)

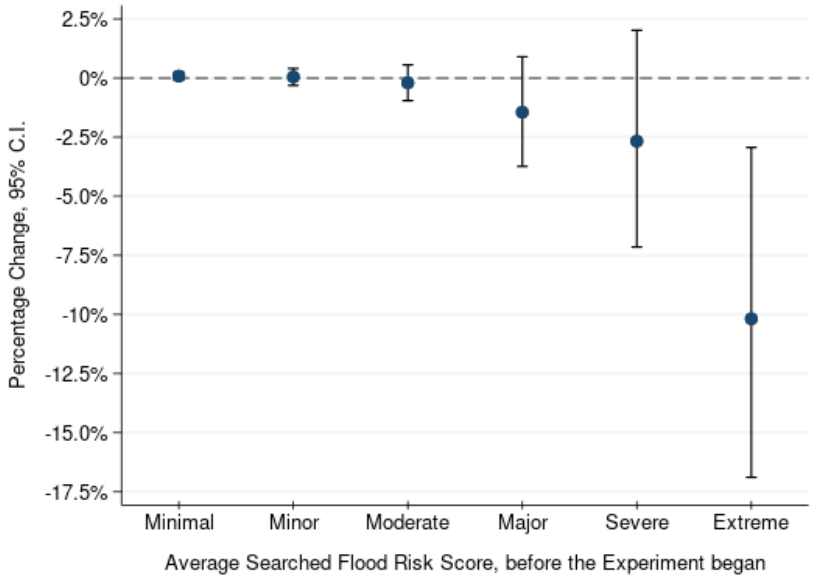
Table A22: Pre-Experiment Distribution of Flood Score for Registered Users by Treatment Status

Number of Registered Users; Column Percentages in Parenthesis

Flood Score Category	Control	Treatment	Total
Minimal	275,765	275,476	551,241
	(62.17)	(62.18)	(62.17)
Minor	94,232	94,303	188,535
	(21.24)	(21.28)	(21.26)
Moderate	53,124	52,913	106,037
	(11.98)	(11.94)	(11.96)
Major	13,852	13,653	27,505
	(3.12)	(3.08)	(3.10)
Severe	3,799	3,825	7,624
	(0.86)	(0.86)	(0.86)
Extreme	2,793	2,882	5,675
	(0.63)	(0.65)	(0.64)
Total	443,565	443,052	886,617
	(100.00)	(100.00)	(100.00)

Figure A21: CATE on the Average Flood Score of a Daily Search for Registered Users

% Change relative to Control

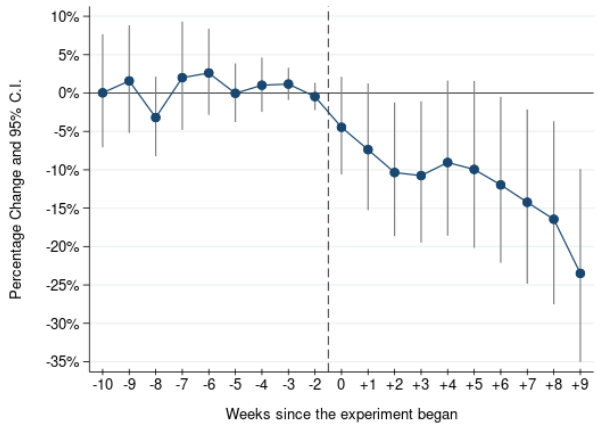


Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

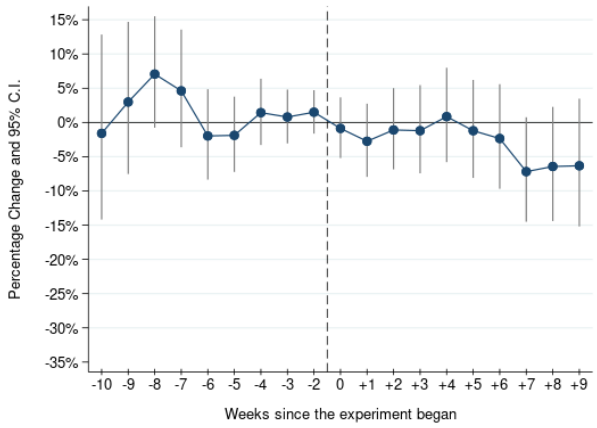
Figure A22: Event-time Study on the Average Daily Flood Score of Properties Searched for Registered Users

% Change relative to Control

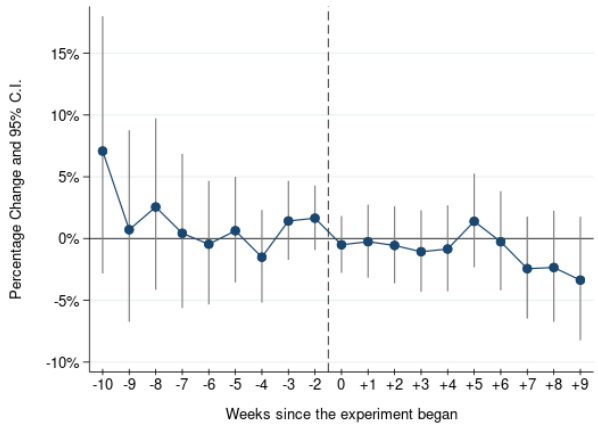
(a) Extreme



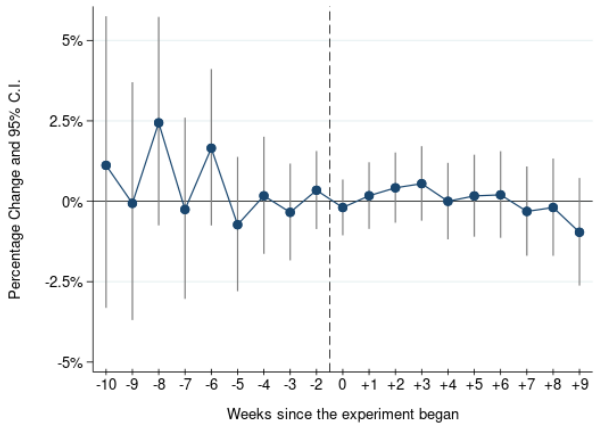
(b) Severe



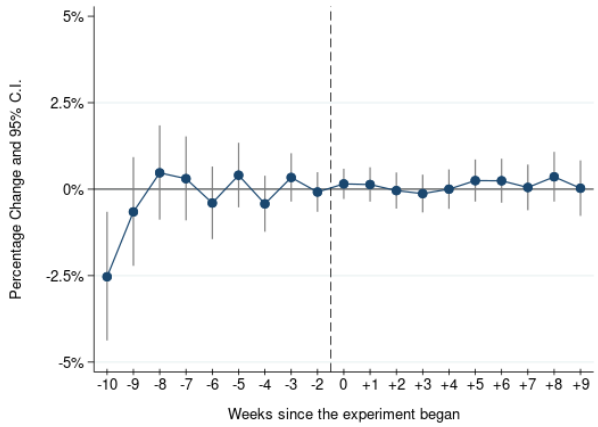
(c) Major



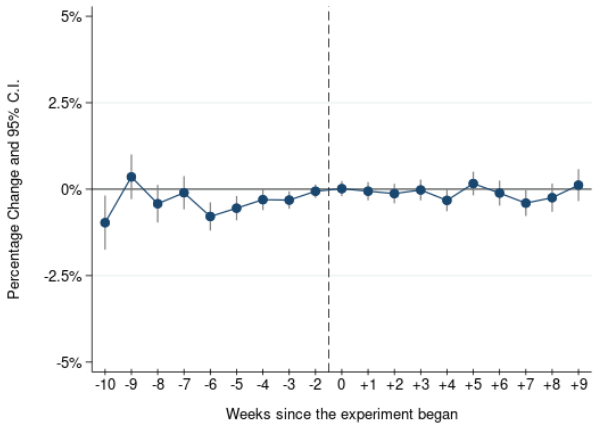
(d) Moderate



(e) Minor



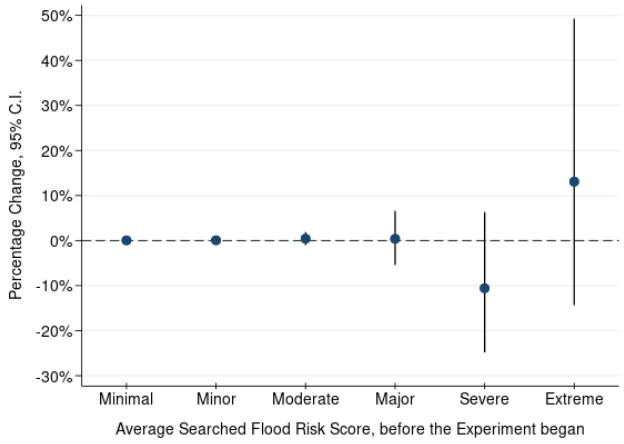
(f) Minimal



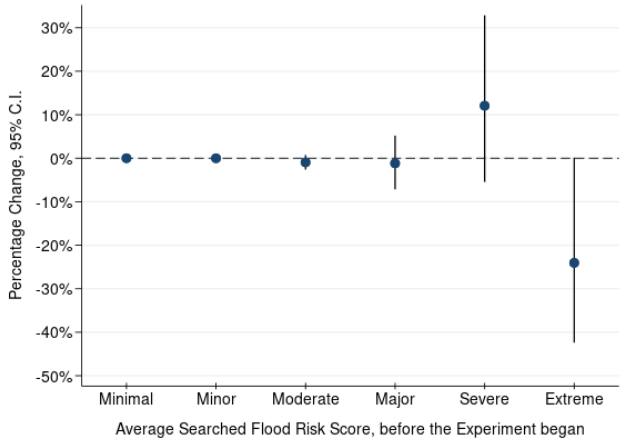
Note: Coefficients are in the form of $((e^{\beta 3} - 1) \cdot 100)$ from equation 19. Coefficients are relative to the week before a user entered the experiment. Vertical lines crossing the estimates are confidence intervals at the 95% level. The vertical dashed line represents the beginning of the experiment for a user. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A23: CATE on the Average Flood Score of a Daily Search for Registered Users, by Characteristics of Most Searched Destination and Origin Zip Code at Baseline

(a) **Lower Mean** Flood Score at Destination Zip Code than Origin



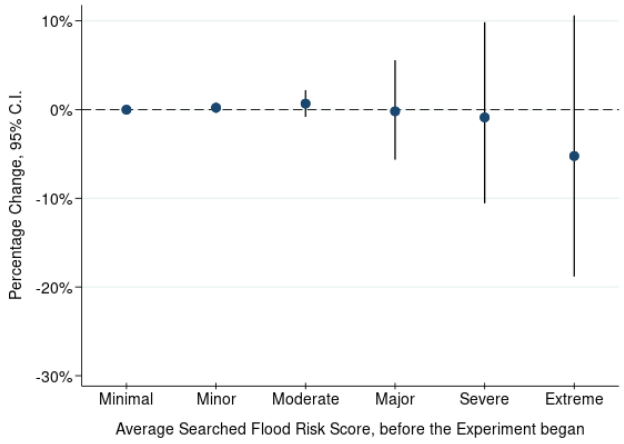
(b) **Higher Mean** Flood Score at Destination Zip Code than Origin



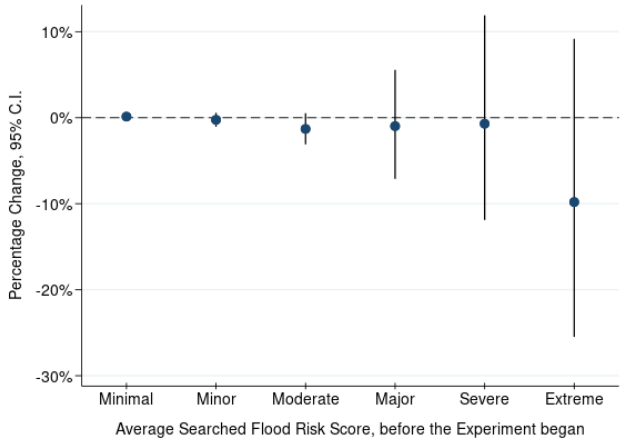
Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A24: CATE on the Average Flood Score of a Daily Search for Registered Users, by Flood Characteristics of the Most Searched Destination and Origin Zip Code at Baseline

(a) **Lower Standard Deviation** Flood Score at Destination Zip Code than Origin



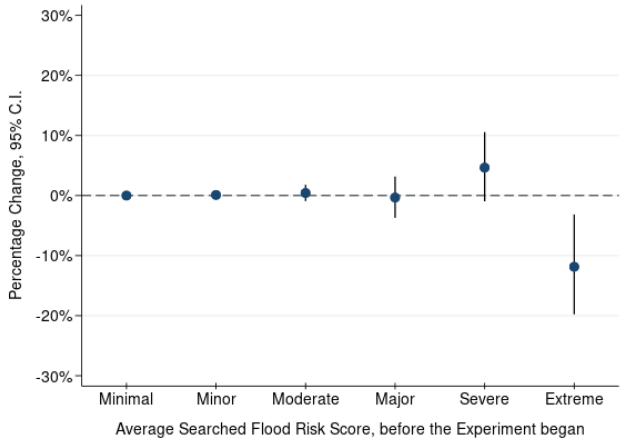
(b) **Higher Standard Deviation** Flood Score at Destination Zip Code than Origin



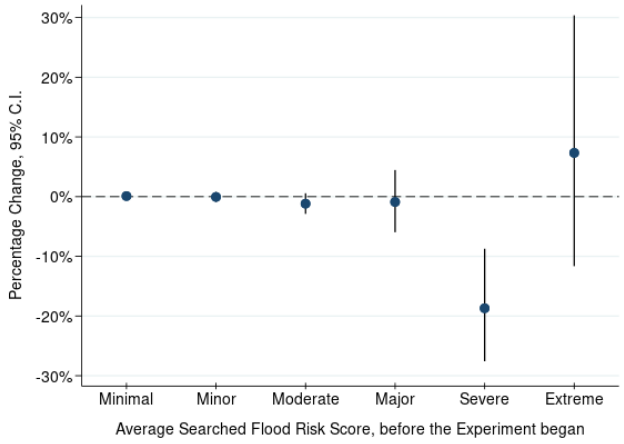
Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A25: CATE on the Average Flood Score of a Daily Search for Registered Users, by Characteristics of Most Searched Destination and Origin Zip Code at Baseline

(a) **Lower Coefficient of Variation** Flood Score at Destination Zip Code than Origin



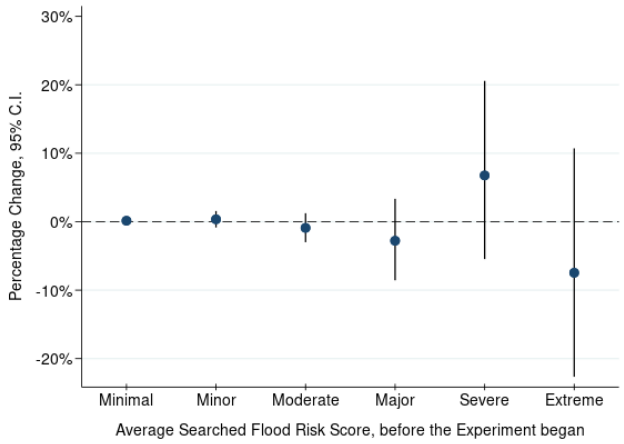
(b) **Higher Coefficient of Variation** Flood Score at Destination Zip Code than Origin



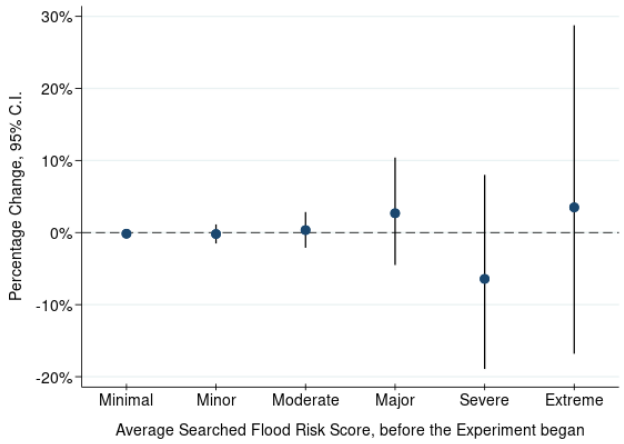
Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's average flood score search category before the experiment began.

Figure A26: CATE on the Average Flood Score of a Daily Search for Registered Users, by Redfin's Probability of Registered User Buying a House at Baseline

(a) **Bottom 90** of Redfin's Probability



(b) **Top 10** of Redfin's Probability

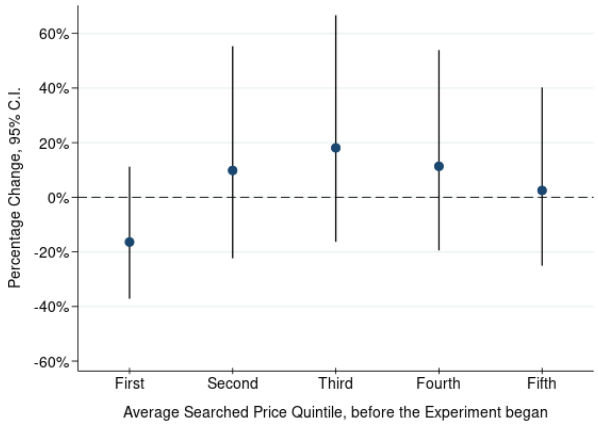


Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

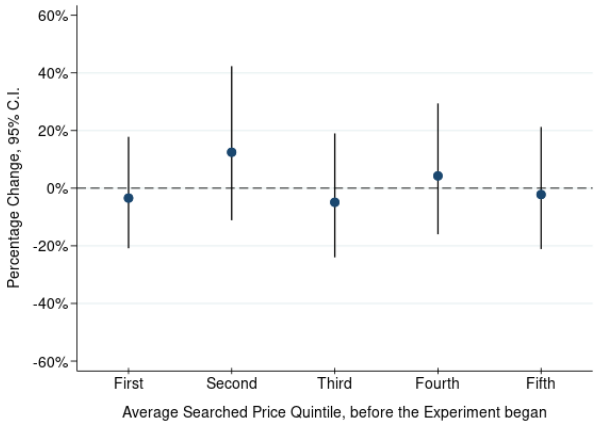
Figure A27: CATE on the Average Flood Score of a Daily Search for Registered Users, by Within-City Average Price Quintile Search at Baseline

Stratified by Average Flood Score Search at Baseline

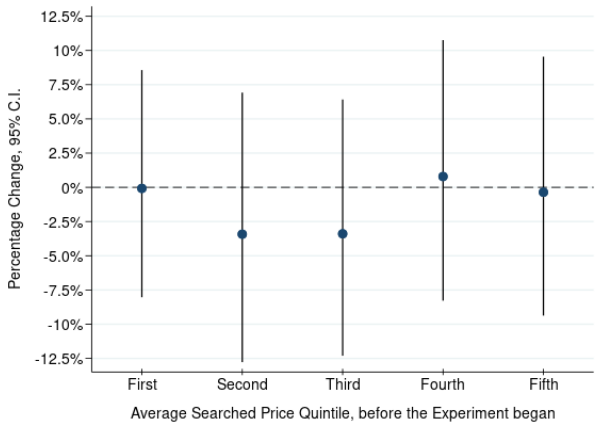
(a) Extreme



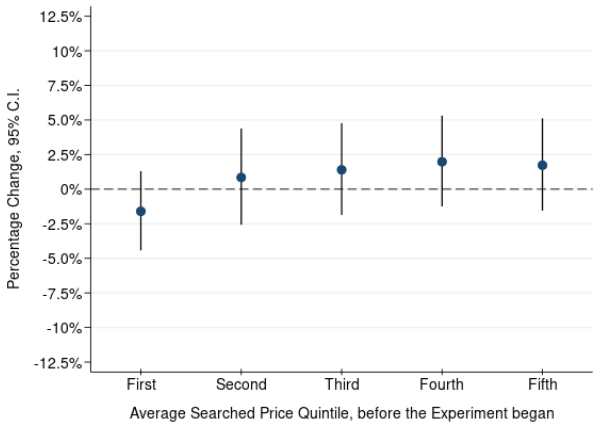
(b) Severe



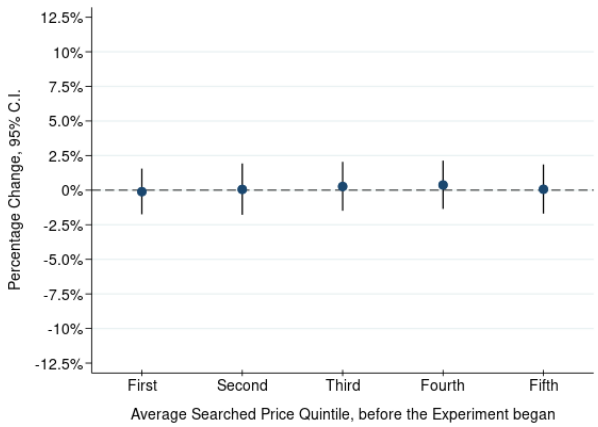
(c) Major



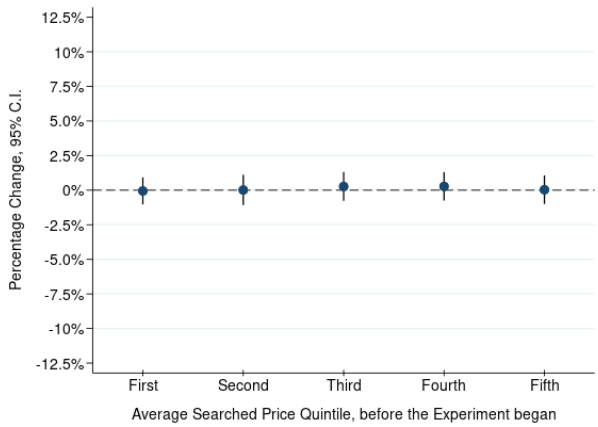
(d) Moderate



(e) Minor



(f) Minimal



Note: Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 19. Vertical lines crossing the estimates are confidence intervals at the 95% level. The x-axis represents the baseline average listing price quintile within a city search category of each user pre-experiment.

Figure A28: CATE on the Probability of Platform Registration

% Change relative to Control

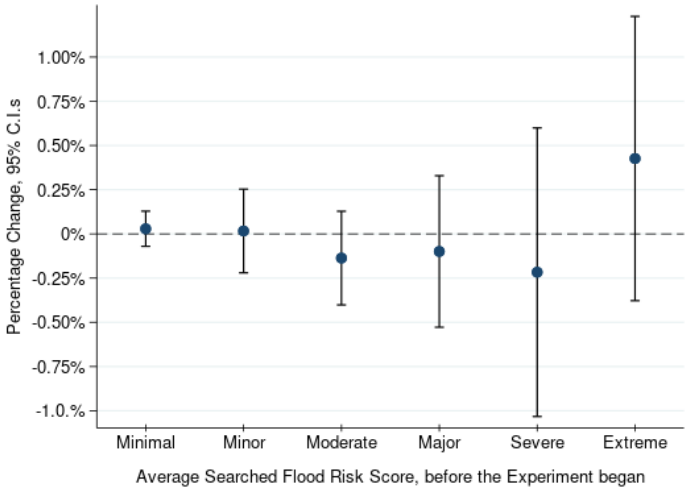
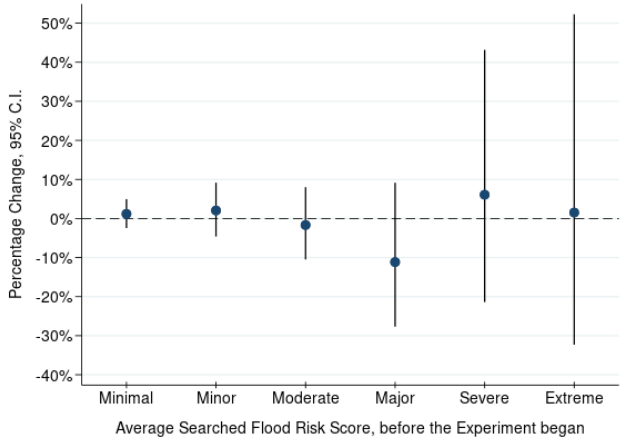
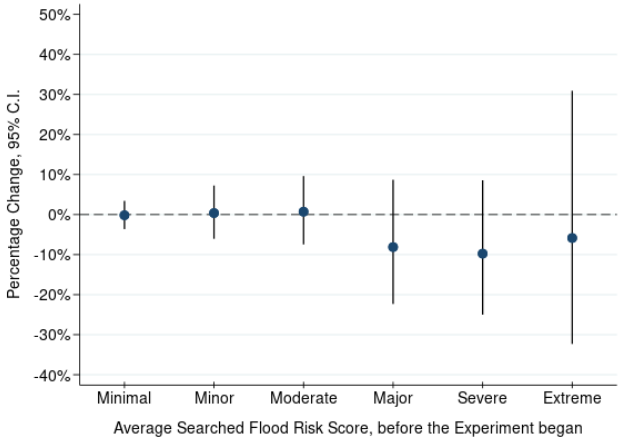


Figure A29: CATE on the Average Flood Score of a Daily Search for Registered Users, by whether the user's county of origin or destination search at baseline experienced a flood shock in the past 7 days

(a) County of Origin



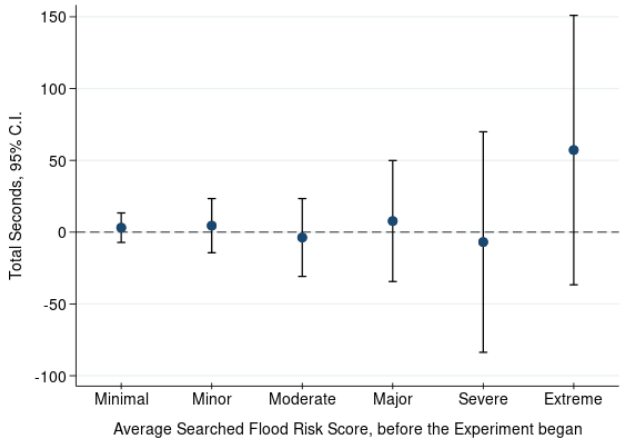
(b) County of Destination



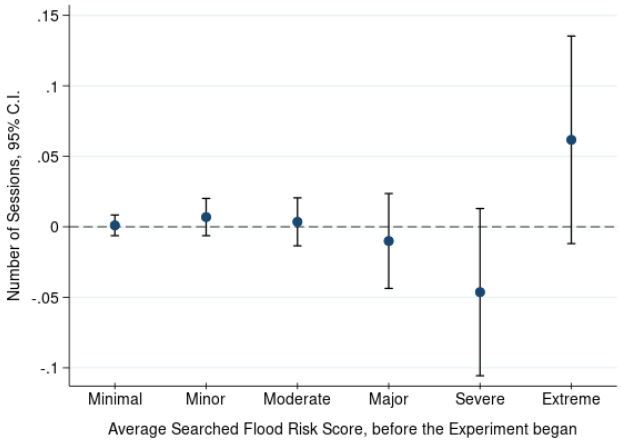
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A30: CATE on the Number of Homes Viewed per Day for Registered Users

(a) Seconds Spent



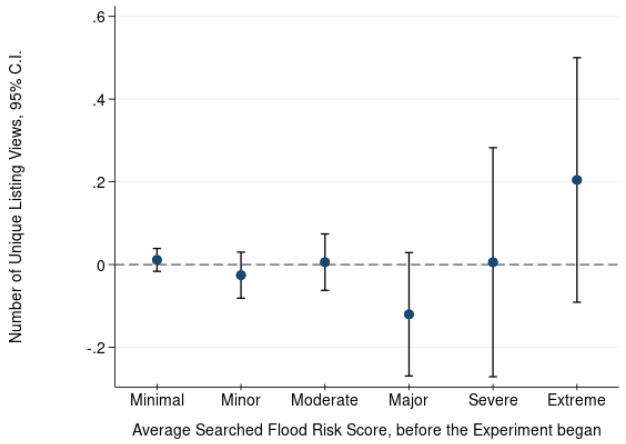
(b) Number of Sessions



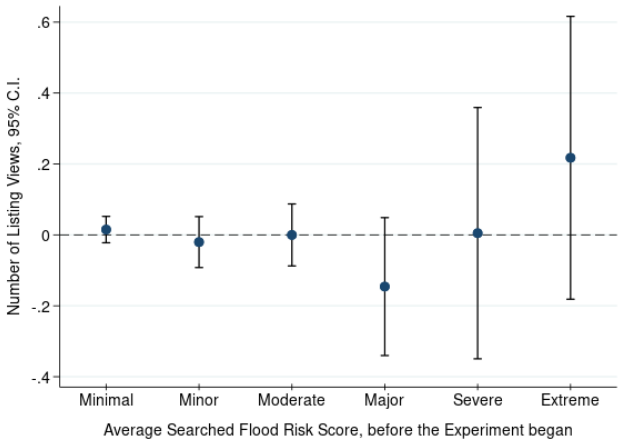
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A31: CATE on the Number of Homes Viewed per Day for Registered Users

(a) Unique Home Views



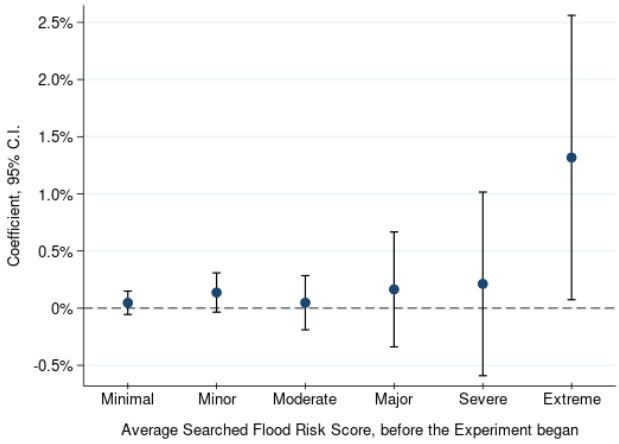
(b) Total Home Views



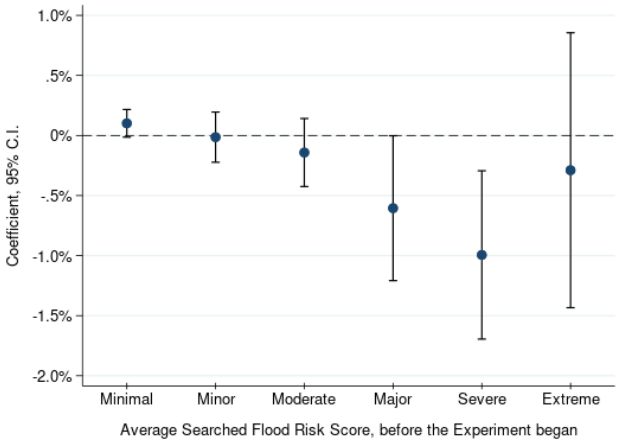
Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

Figure A32: CATE on the Percentage of Times for Registered Users Engaged with a Specific Property's Features per Day

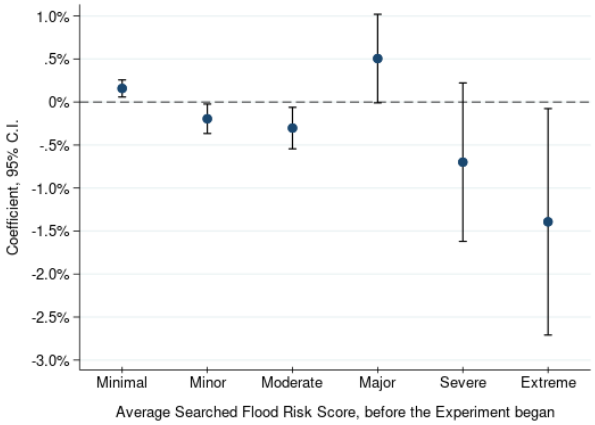
(a) Engaged with Flood Risk Section



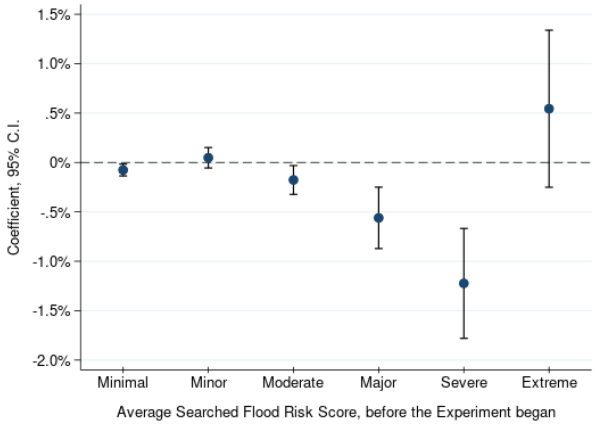
(b) Clicked "Favorite" a Property



(c) Clicked Next Photo



(d) Clicked Active Similar Properties

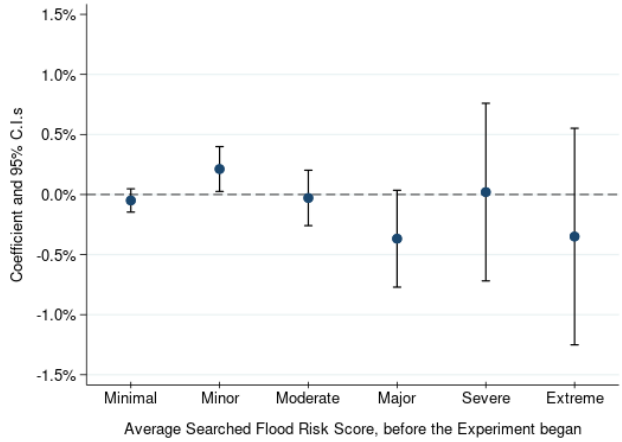


Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began.

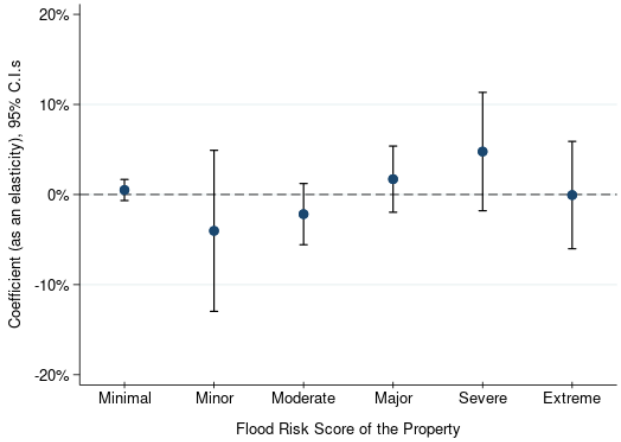
Figure A33: CATE on the Probability of Booking a Tour and Canceling a House Tour

% Change relative to Control for Registered Users

(a) Probability of Booking a Tour



(b) Probability of Cancelling a House Tour

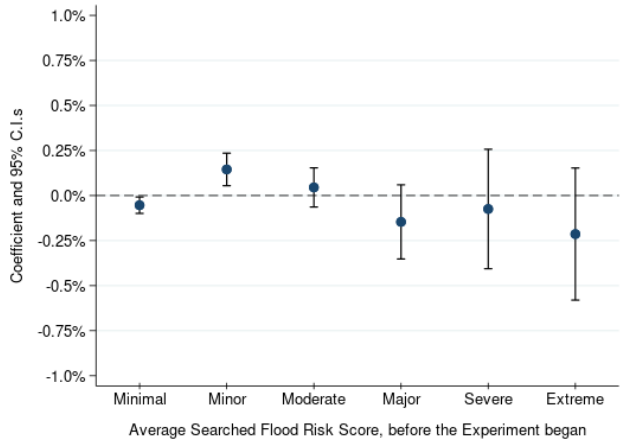


Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents the flood score category of the property.

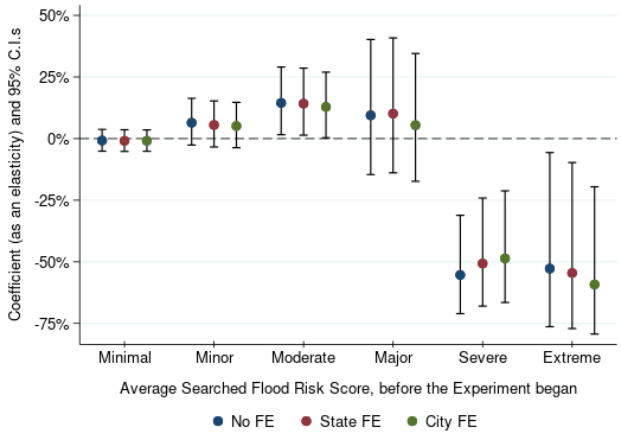
Figure A34: CATE on the Probability of Making an Offer as a Function of the Flood Score

% Change relative to Control

(a) Probability of Placing an Offer



(b) Flood Score of the Property

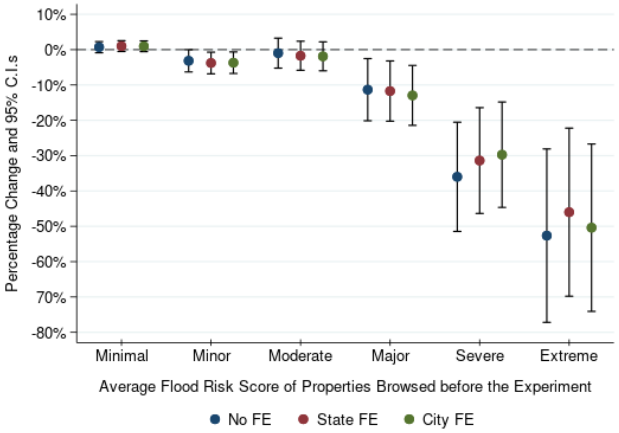


Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. S.E. clustered at the registered user level. FE = Fixed Effects of the location of the Property.

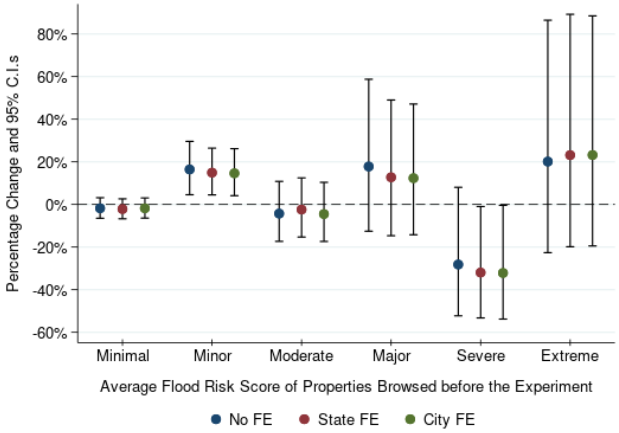
Figure A35: CATE on the Characteristics of an Offer

% Change relative to Control

(a) Prob. of Offer being on the Waterfront



(b) Square Feet of the Property

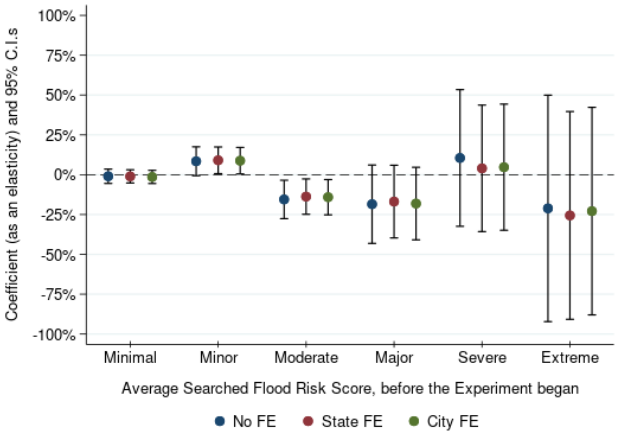


Note: For Figure (b), coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. Standard errors clustered at the user level. FE = Fixed Effects of the location of the Property.

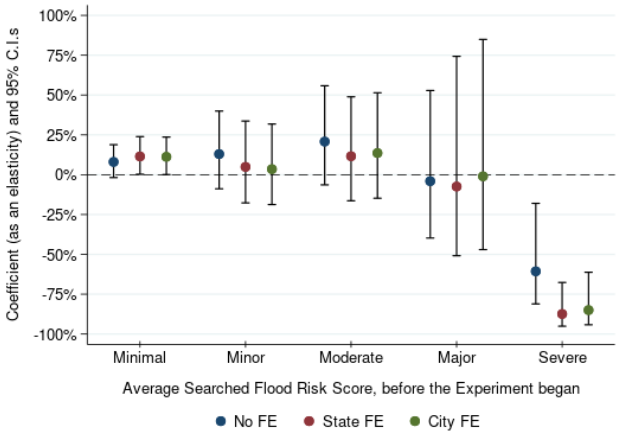
Figure A36: CATE on the Probability of Closing on a Property

% Change relative to Control

(a) Probability of Closing an Offer



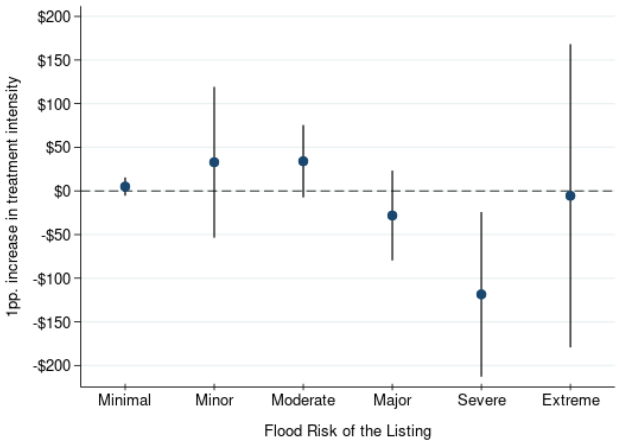
(b) Flood Score of the Closed Properties



Note: Coefficients are in the form of $((e^{\beta_3} - 1) \cdot 100)$ from equation 18. Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents each user's baseline average flood score search category before the experiment began. FE = Fixed Effects of the location of the Property.

Figure A37: The Association Between Treatment Exposure Intensity and the *(Sale - Listing Price)* Spread for All Listings

1PP Increase in Exposure Intensity, ($)

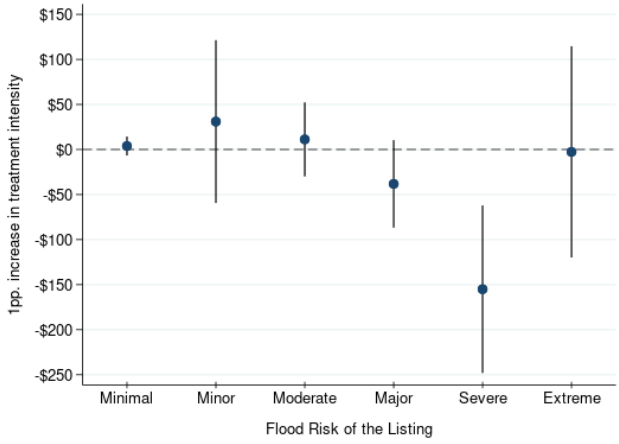


Note: For Figure (b), vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents the flood score of the property.

Figure A38: CATE of an Increase in Exposure Intensity on the *(Sale - Listing Price)*

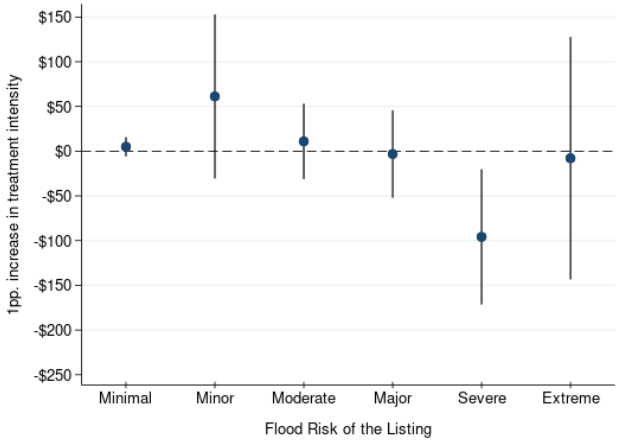
(a) Only Not Waterfront Listings

1PP Increase in Exposure Intensity, ($)



(b) Only Not FEMA Risky Listings

1PP Increase in Exposure Intensity, ($)

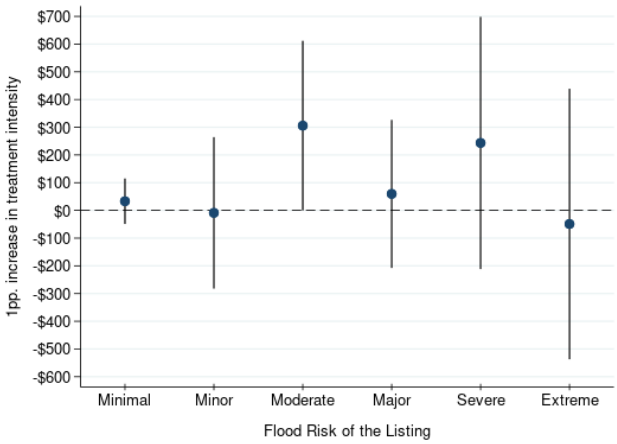


Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. As well, for Figure (b), the x-axis represents the flood score of the property.

Figure A39: CATE of an Increase in Exposure Intensity on the *(Sale - Listing Price)*

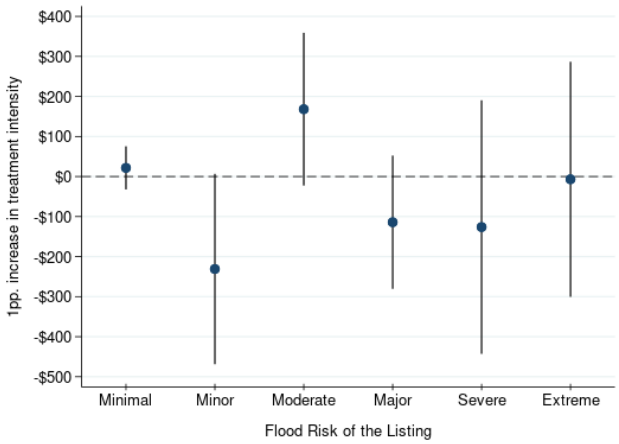
(a) Only Waterfront Listings

1PP Increase in Exposure Intensity, ($)



(b) Only FEMA Risky Listings

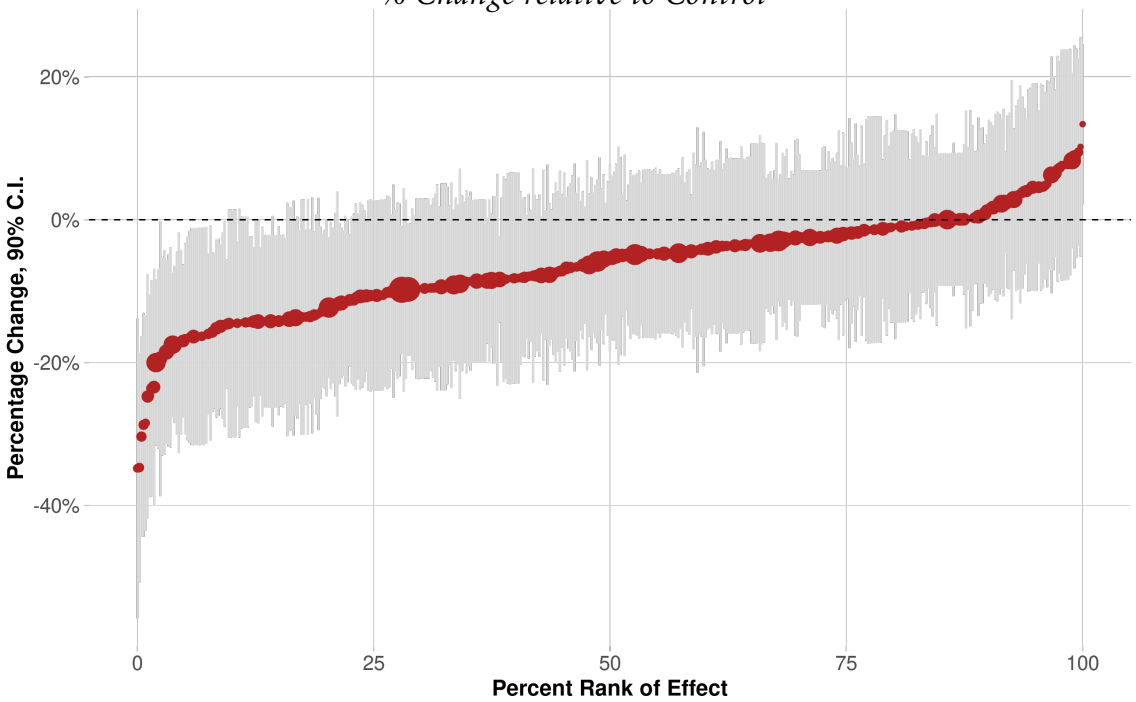
1PP Increase in Exposure Intensity, ($)



Note: Vertical lines crossing the estimates are confidence intervals, where the cap represents the confidence interval at the 95% level. The x-axis represents the flood score of the property.

Figure A40: Causal Forest—**Extreme** Risk Group

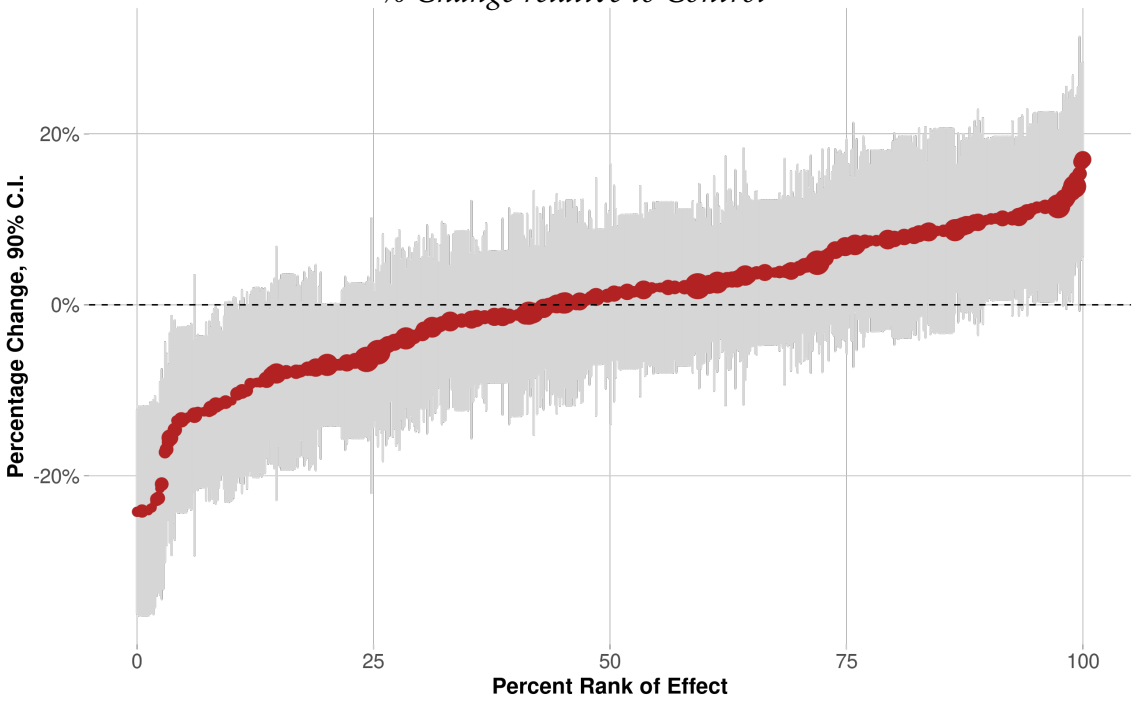
% Change relative to Control



Note: The causal forest was trained on 70% of the extreme risk universe, and the plotted effects are calculated on 30% of the rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

Figure A41: Causal Forest—**Severe** Risk Group

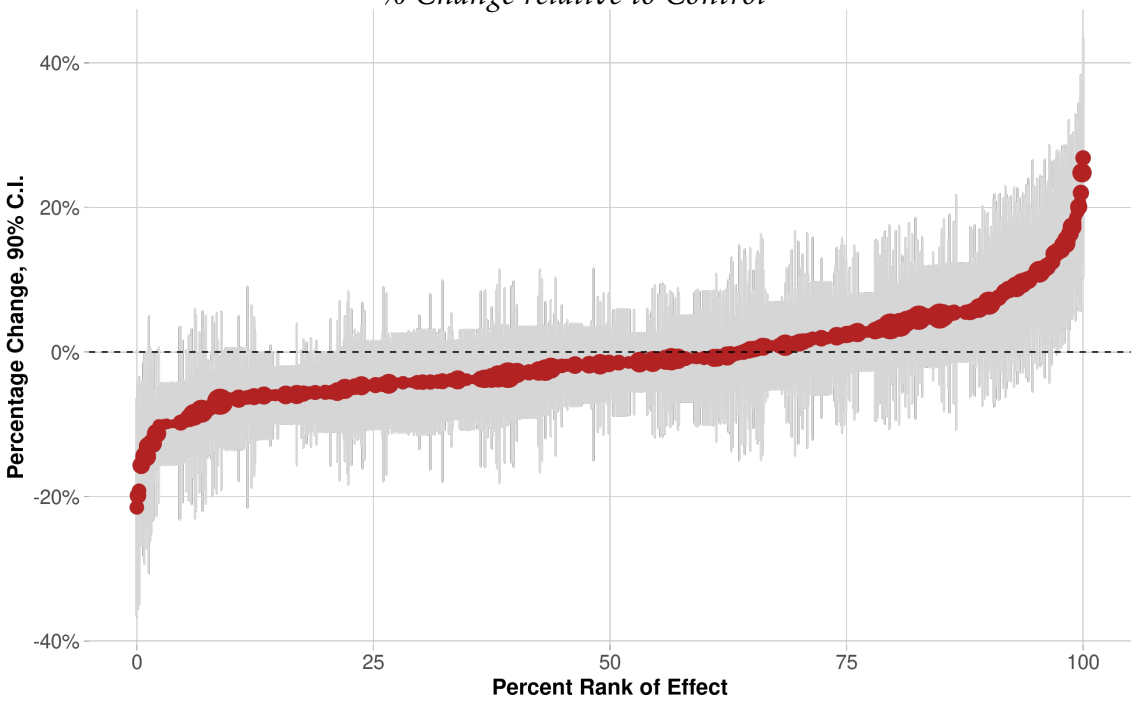
% Change relative to Control



Note: The causal forest was trained on 70% of the severe risk universe, and the plotted effects are calculated on 30% of the rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

Figure A42: Causal Forest—**Major** Risk Group

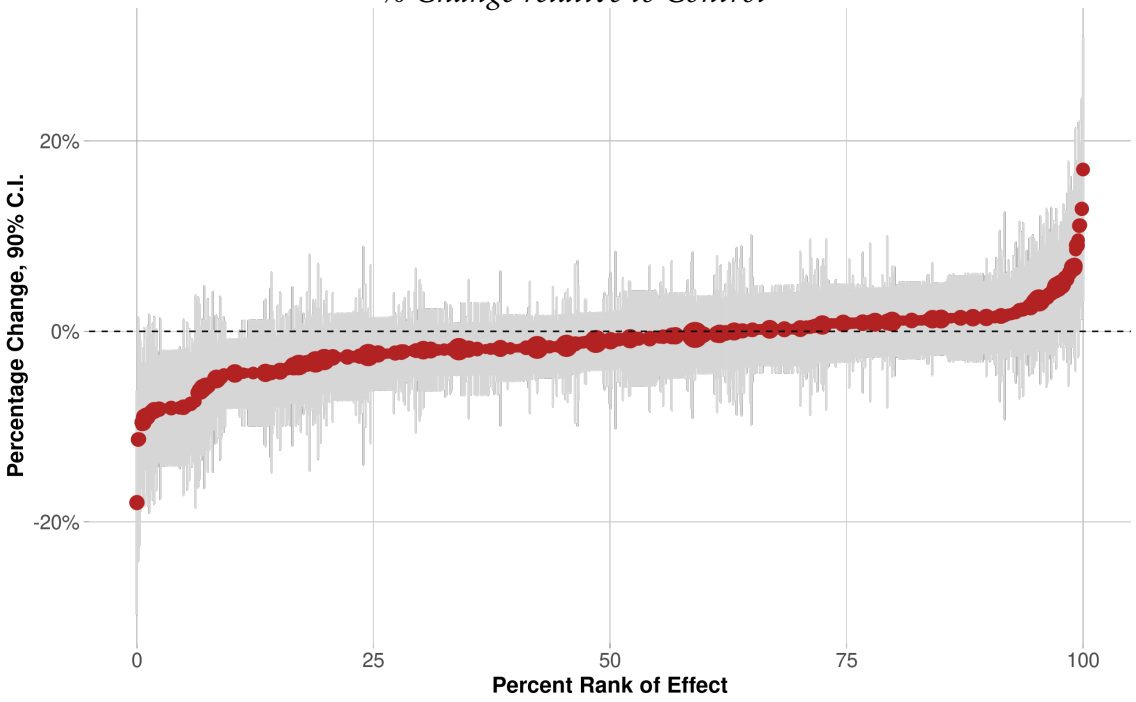
% Change relative to Control



Note: The causal forest was trained on 70% of the major risk universe, and the plotted effects are calculated on 30% of the rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

Figure A43: Causal Forest—**Moderate** Risk Group

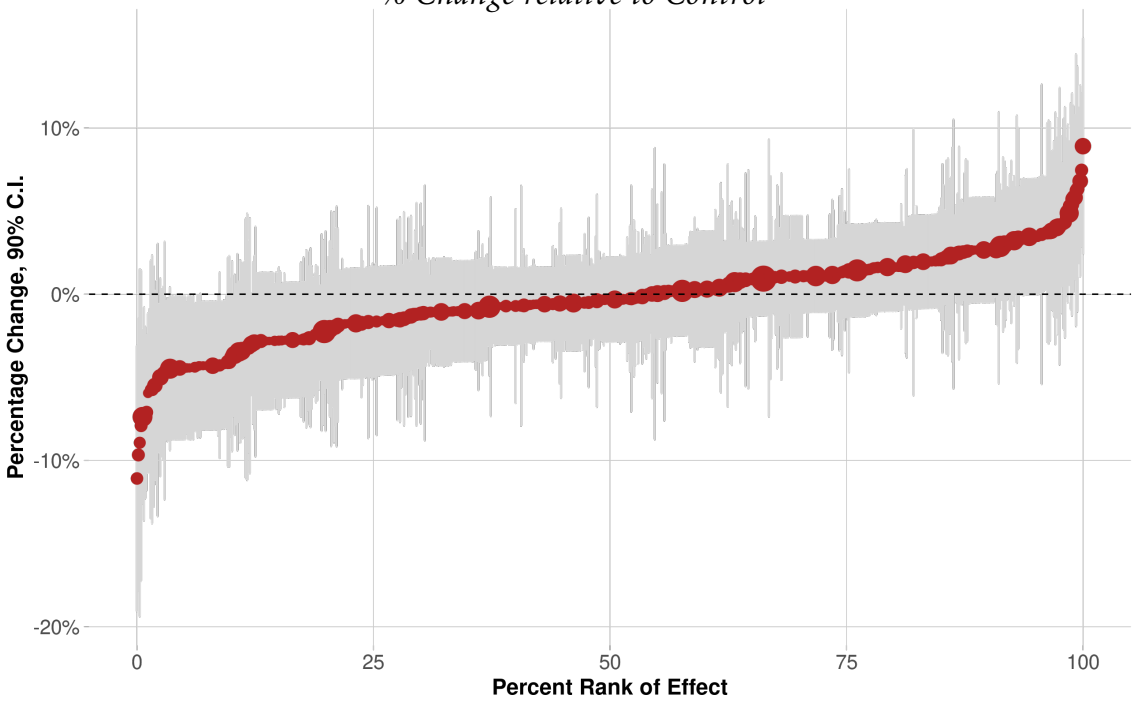
% Change relative to Control



Note: For computational reasons, we used 20% of the moderate risk universe. From that sample, the causal forest was trained on 70% of it, and the plotted effects are calculated on the 30% rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

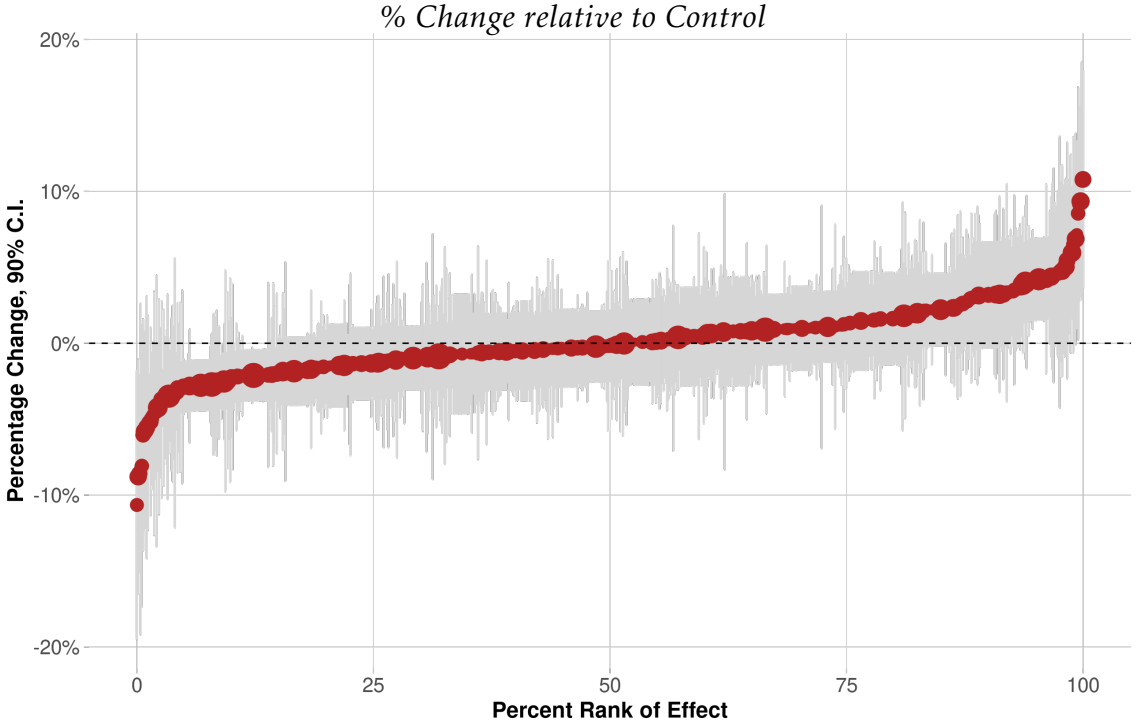
Figure A44: Causal Forest—**Minor** Risk Group

% Change relative to Control



Note: For computational reasons, we used 10% of the minor risk universe. From that sample, the causal forest was trained on 70% of it, and the plotted effects are calculated on the 30% rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

Figure A45: Causal Forest—**Minimal** Risk Group



Note: For computational reasons, we used 5% of the minimal risk universe. From that sample, the causal forest was trained on 70% of it, and the plotted effects are calculated on the 30% rest. We use 50,000 trees to grow the forest. We use baseline variables to fit the model. A bigger size of the circle effects tells us that more observations lie within the branch of the calculated conditional average treatment effect.

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North Carolina Department of Public Safety
Office of Recovery and Resiliency

Roy Cooper, Governor
Eddie M. Buffaloe, Jr., Secretary

Laura H. Hogshead, Director

July 27, 2023

Melissa Vuotto, Rulemaking Coordinator
NC Real Estate Commission
PO Box 17100
Raleigh, NC 27619
Public.Comment@ncrec.gov

RE: Support for the Proposed Changes to the North Carolina Residential Property and Owners' Association Disclosure Statement Regarding Flood History, Risk, and Insurance

Dear Ms. Vuotto:

I am writing in strong support of the proposed changes to North Carolina Residential Property and Owners' Association Disclosure Statement currently pending before the North Carolina Real Estate Commission. As you know, the proposed changes would require disclosure of flood history and risk, as well as flood insurance requirements. These proposed disclosure requirements (new questions F4 through F9) would be a significant step in keeping North Carolinians and their property safer by informing them of the very real risks to life and property posed by flooding. I urge the Real Estate Commission to approve these changes, and I also make one suggestion for your consideration regarding the proposed language.

The North Carolina Office of Recovery and Resiliency (NCORR), a division of the Department of Public Safety, manages several programs that support long-term disaster recovery and resiliency including homeowner recovery, infrastructure recovery, affordable housing, resiliency, strategic buyouts of flooded homes, and local government grants and loans. NCORR administers nearly a billion dollars in U.S. Department of Housing and Urban Development (HUD) funding, aimed at making North Carolina communities safer and more resilient from future storms.

Mailing Address:
Post Office Box 110465
Durham, NC 27709

NCORR
NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

Phone: (984) 833-5350
www.ncdps.gov
www.rebuild.nc.gov

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Despite this significant effort and great state expense rebuilding damaged homes to be more resilient to flooding, buying out homes in dangerous locations, and providing new housing in safe places, the state cannot keep up with the amount of ongoing new residential construction in the floodplain. "Since 1996, 3,721 properties were acquired in North Carolina as part of a buyout, while housing has been newly constructed on over 47,000 floodplain parcels." (Flood Resiliency Study, North Carolina Collaboratory, University of North Carolina- Chapel Hill, June 2021, page 19[1].) Thus, it is essential that residential buyers are informed of the risks and costs associated with flooding when they purchase a home.

Future storms and flooding are unfortunately a reality we must be prepared to for in North Carolina, and recovery is a long-term process for homeowners who reside in areas of flood risk, including floodplains, especially for those who do not carry adequate insurance. NCORR is actively working to recover homeowners in Eastern North Carolina who experienced flooding from Hurricanes Matthew and Florence, and we have seen firsthand the emotional and financial toll flooding takes on homeowners and their families. The proposed new disclosures will allow prospective home buyers to make informed decisions to protect themselves before another flooding event occurs.

Although I strongly support the inclusion of the proposed new questions F4 through F9, I would recommend making the following change to the questions as currently worded: delete the proposed subquestions (which begin with "If you answered yes…") and notes under questions F4 and F5. These subquestions repeat the stand-alone questions F6, F7, F8, and F9. Repeating this language twice is confusing. They are much clearer as stand-alone questions.

Thank you for your consideration of these comments. I am available if you have any questions.

Sincerely,

Laura Hogshead

Laura H. Hogshead

[1] https://collaboratory.unc.edu/highlighted-projects/flood-resiliency-hub/flood-resilience/

June 30, 2023

North Carolina Real Estate Commission
1313 Navaho Drive
Raleigh, NC 27609

Dear Chairman Black,

On behalf of the more than 57,000 NC REALTOR® members across all 100 counties, we appreciate the opportunity to provide comments on the proposed rule changes to the Residential Property and Owners Association Disclosure Statement form. We have concerns about the additional questions throughout the form, as our members believe it will most likely further encourage sellers to mark no representation rather than make representations. However, our comments are specific to the additional questions related to flood hazard and damage.

Our members believe the flood related questions should start with whether the property is in a flood zone or participates in NFIP. If the response is yes, then the remaining questions would pertain.

Below are comments specific to the additional questions.

F5. Has the property experienced any damage due to flooding, water seepage, or pooled water attributable to a natural event such as heavy rainfall, coastal storm surge, tidal inundation, or river overflow?

NCR Comments:

- Define damage to only damage to the real property, as this is a disclosure on just the real property.
- If you intend to include damage to personal property, that is outside the scope of the form.
- What if a flood is not caused by a natural disaster but rather a broken pipe or storm water runoff?
- The question is vague and needs to be more specific to get effective responses.

F6. 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:

NCR Comments:

- What if a claim was filed and denied?
- Remove the provision about the amount received, as it is not relevant to a new property owner. It does not provide accurate information because:
    - Each owner will have their own contract with a provider and that will determine the amount received.
    - It may or may not cover all the damage.
- HOA claims would not be included in these disclosures. If required, that information would have to be obtained from a third party, what happens if the HOA does not respond or responds incorrectly?

- It is particularly concerning that private information such as the amount received is being requested. This may prompt many sellers to just check the "no representation" box, which negates the question.

F7. Is there current flood insurance on the property? If yes, provide the annual premium amount.

NCR Comments:

- Annual premiums are subjective and individual to each home and homeowner. The premium amount can and will vary – insurance is rated and based off the property itself and the creditworthiness of the policyholder. Serial claim filers have higher rates, and RR 2.0 made grandfathered policies adjust.
- The current amount of the policy is also based on what the homeowner wants covered and may not entirely cover replacement. Homeowners choose rates based on deductibles and minimal coverage amounts and each owner will have different preferences.

F8. Have you or any previous owner received assistance from FEMA, the US Small Business Administration, or any other federal disaster flood assistance for flood damage to the property? [NOTE: For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance can result in an owner being ineligible for future assistance.]

NCR Comments:

- No comments

F9. Is there a FEMA elevation certificate for the property?

NCR Comments:

- Many people will not know where to find this if they are not purchasing a new home from a builder.
- Elevation certificates often expire with changes to maps and base flood elevations, changes to the property itself, etc. Original ones at the time of construction may not be the most recent.
- Homeowners often get a surveyor to provide a certificate but they are not FEMA ECs – just elevation certificates. Are those required to be disclosed?

In looking at the concerns expressed by NCR members, it's not just the amount of additional question but considering whether better questions can be asked. Responses to questions as written will not always be helpful to buyers and in some cases will be unintentionally misleading.

We appreciate the Real Estate Commission's consideration of our comments and recommendations. Thank you for the opportunity to provide comments. Please contact Pam Melton, NCR Director of Political and External Communications at pmelton@ncrealtors.org or 919-995-9357 with any questions or concerns.

Sincerely,

Leigh Brown

Leigh Brown
2023 NC REALTORS® President

STATE OF NORTH CAROLINA
RESIDENTIAL PROPERTY AND OWNERS' ASSOCIATION DISCLOSURE STATEMENT

WHEN IN DOUBT – DISCLOSE!

Purpose of the Disclosure Form: This is a statement of characteristics and condition of the Property for which the Owner has actual knowledge. The form is required by law, N.C.G.S. 47E, to be completed by the owner and provided to the buyer. All questions must be answered.

Representations: An owner has the option of selecting Yes (Y), No (N), or No Representation (NR). If an owner selects No Representation, this could mean that the owner has knowledge of an issue and is choosing not to disclose it. An owner is not required to disclose any of the material facts that have a No Representation option, even if they have knowledge of them. Representations in this form are made by the owners, not the owner's agents or subagents.

MESSAGE TO OWNER:

You must respond to each of the questions on the following pages of this form by filling in the requested information or by placing a check (√) in the appropriate box. In responding to questions, you are only obligated to disclose information about which you have actual knowledge. If you are assisted in the sale of your property by a licensed real estate broker, you are still responsible for completing and delivering the Disclosure Statement to the buyers; and the broker must disclose any material facts about your property that the broker knows or reasonably should know, regardless of your responses on the Disclosure Statement. You must give the completed Disclosure Statement to the buyer no later than the time the buyer makes an offer to purchase your property. If you do not, the buyer can, under certain conditions, cancel any resulting contract. You should give the buyer a copy of the Disclosure Statement containing your signature and keep a copy signed by the buyer for your records.

INSTRUCTIONS: DO NOT LEAVE ANY QUESTIONS UNANSWERED.

a. If you check "Yes (Y)" for any question, you must explain your answer and either describe any problem or attach a report from an attorney, engineer, contractor, pest control operator, or other expert or public agency describing it. If you attach a report, you will not be liable for any inaccurate or incomplete information contained in it so long as you were not grossly negligent in obtaining or transmitting the information.
b. If you check "No (N)," you are stating that you have no actual knowledge of any problem. If you check "No (N)" and you know there is a problem, you may be liable for making an intentional misstatement.
c. If you check "No Representation (NR)," you are choosing not to disclose the conditions or characteristics of the property, even if you have actual knowledge of them or should have known of them. *
d. If you check "Yes (Y)" or "No (N)" and something happens to the property to make your Disclosure Statement incorrect or inaccurate (for example, the roof begins to leak), you must promptly give the buyer an updated Disclosure Statement or correct the problem. Note that some issues, even if repaired, such as structural issues and fire damage, remain material facts and must be disclosed by a broker.

* If you check "No Representation" and you know there is a problem, you may be held liable for withholding material facts from the buyer. Consult a qualified attorney if you have questions.

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

MESSAGE TO BUYER:

→ so a termination notice emailed by the buyer's agent would not cancel the contract?

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, the Disclosure Act does not give you the right 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. **The answers of the owner below are not a warranty and should not be a substitute for conducting a careful, independent evaluation of the Property. Buyers are strongly encouraged to get their own inspections from a licensed home inspector and/or other professional.**

INSTRUCTIONS:

a. Carefully review the entire form. An owner has the option of selecting Yes (Y), No (N), or No Representation (NR). If an owner selects No Representation, this could mean that the owner has knowledge of an issue and is choosing not to disclose it. Notice answers with NR selected. An owner is not required to disclose any of the material facts that have a No Representation option, *even if they have knowledge of them.*

b. Do not assume 'No (N)' is a guarantee of no defect. If an owner selects 'No (N)' this means that they have no knowledge of any defects, it does not mean that a defect does not exist.

c. Schedule inspections, a buyer is expected to take reasonable steps to satisfy themselves that the Property is suitable for their needs and purposes.

this should not be a comma; a colon would be more appropriate.

MESSAGE TO BROKER:

? below referenced ?

A licensed real estate broker shall furnish their seller-client with a Disclosure Statement for the seller to complete in connection with the above referenced transaction. The broker shall review such completed form to ensure that the seller completed all answers and confirm that the disclosures made by the seller on the form are consistent with the broker's knowledge or representations about the property. **In accordance with 93A-6(a)(1) and (3), a broker shall take reasonable steps to discover and disclose material facts about the subject property about which the broker knows or reasonably should know and shall not rely solely on the owner's representations.** Brokers working with buyer-clients should obtain a completed copy of this form from the owner or listing agent to provide to their client to review and sign. Brokers should explain that this form does not replace an inspection and encourage buyers to protect their interests by having the property fully examined to the buyer's satisfaction. Brokers are NOT permitted to complete this form on behalf of their clients.

yes!

PROPERTY ADDRESS/DESCRIPTION _____

OWNER'S NAME(S) _____

DATE OWNER ACQUIRED THE PROPERTY _____ DO YOU OCCUPY THE PROPERTY? _____

IF NOT OWNER-OCCUPIED, HOW LONG HAS IT BEEN SINCE THE OWNER OCCUPIED THE PROPERTY? _____

Owner(s) and Buyers(s) acknowledge having read and reviewed the above instructions prior to completing the remainder of this form.

Owner Signature: _____ Date _____

Owner Signature: _____ Date _____

Buyer Signature: _____ Date _____

Buyer Signature: _____ Date _____

→ is the point to identify duration of vacancy? If so then the date when the owner vacated is not necessarily the date of vacancy.

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 any structure intended for human habitation.

A. STRUCTURE / FLOOR / WALLS / CEILINGS / WINDOWS / ROOF

	YES	NO	NR
A1. In what year was the dwelling constructed? _____ Explain if necessary: _____			☐
A2. Have there been any structural additions or other structural or mechanical changes to the dwelling(s)?	☐	☐	☐
A3. The dwelling's exterior walls are made of what type of material? (Check all that apply) ☐ Brick Veneer ☐ Wood ☐ Stone ☐ Vinyl ☐ Synthetic Stucco ☐ Composition/Hardboard ☐ Concrete ☐ Fiber Cement ☐ Aluminum ☐ Asbestos ☐ Other _____			☐
A4. In what year was the dwelling's roof covering installed? _____ (Approximate if no records are available.) Explain if necessary: _____			☐
A5. Is there any leakage or other problem with the dwelling's roof?	☐	☐	☐
A6. Is there any water seepage, leakage, dampness, or standing water in the dwelling's basement, crawl space, or slab?	☐	☐	☐
A7. 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?	☐	☐	☐

boxes should align w/ the sentence

A8. Is there any problem, malfunction, or defect with the dwelling's:

Options:	Y	N	NR	Options:	Y	N	NR
Foundation	☐	☐	☐	Attached garage	☐	☐	☐
Slab	☐	☐	☐	Patio	☐	☐	☐
Fireplaces/chimneys	☐	☐	☐	Deck	☐	☐	☐
Floors	☐	☐	☐	Ceilings	☐	☐	☐
Windows (incl. storm windows & screens)	☐	☐	☐	Interior/exterior walls	☐	☐	☐
Doors	☐	☐	☐	Other Structural Components	☐	☐	☐

B. HVAC / ELECTRICAL

	YES	NO	NR
B1. Is there any problem, malfunction, or defect with the dwelling's electrical system (outlets, wiring, panel, switches, fixtures, generator, etc.)?	☐	☐	☐
B2. Is there any problem, malfunction, or defect with the dwelling's heating and/or air conditioning?	☐	☐	☐
B3. What is the dwelling's heat source? (Check all that apply) ☐ Furnace ☐ Heat Pump ☐ Baseboard ☐ Other _____ Year of system manufacture: _____ Explain if necessary: _____			☐

installation seems more relevant

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

	YES	NO	NR
B4. What is the dwelling's cooling source? (Check all that apply) □ Central Forced Air □ Wall/Window Unit(s) □ Other_____ Year of system manufacture: _____ Explain if necessary: _____ (↳ installation)			□
B5. What is the dwelling's fuel source? (Check all that apply) □ Electricity □ Natural Gas □ Propane □ Oil □ Other_____ 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.			□

C. PLUMBING / WATER SUPPLY / SEWER / SEPTIC

	YES	NO	NR
C1. What is the dwelling's water supply source? (Check all that apply) □ City/County □ Community System □ Private Well □ Shared Well □ Other_____			□
C2. If the dwelling's water source is supplied by a private well, have you had the well (↓ water) tested? If so, what was the date of the last well test? _____			□
C3. The dwelling's water pipes are made of what type of material? (Check all that apply) □ Copper □ Galvanized □ Plastic □ Polybutylene □ Other_____			□
C4. Water heater fuel source: (Check all that apply) □ Gas □ Electric □ Other_____ Year of system manufacture: _____ Explain if necessary:_____			□
C5. What is the dwelling's sewage disposal system? (Check all that apply) □ 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_____			□
C6. 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.	□	□	□

C7. Is there any problem, malfunction, or defect with the dwelling's:

Options:	Y	N	NR	Options:	Y	N	NR
Plumbing system (pipes, fixtures, water heater, etc.)	□	□	□	Sewer system	□	□	□
Water supply (water quality, quantity, or water pressure)	□	□	□	Septic system	□	□	□

D. FIXTURES / APPLIANCES

	YES	NO	NR
D1. Is the dwelling equipped with an elevator ~~system~~?	□	□	□

D2. Is there any problem, malfunction, or defect with the dwelling's:

Options:	Y	N	NR	Options:	Y	N	NR
Appliances to be conveyed (range/oven, attached microwave, hood/fan, dishwasher, disposal, etc.)	☐	☐	☐	Gas logs	☐	☐	☐
Attic fan, exhaust fan, ceiling fans	☐	☐	☐	Pool/hot tub/spa	☐	☐	☐
Central vacuum	☐	☐	☐	Sump pump	☐	☐	☐
Elevator system or component	☐	☐	☐	Security system	☐	☐	☐
Garage door openers	☐	☐	☐	TV cable wiring or satellite dish	☐	☐	☐
Irrigation system	☐	☐	☐	Other systems	☐	☐	☐

E. LAND / ZONING

	YES	NO	NR
E1. Is there any problem, malfunction, or defect with the drainage, grading, or soil stability of the property?	☐	☐	☐
E2. Is the property in violation of any local zoning ordinances, restrictive covenants, or other land-use restrictions (including set-back requirements)? and impervious surface limits	☐	☐	☐
E3. Is the property in violation of any building codes (including the failure to obtain proper permits for room additions or other changes/improvements)?	☐	☐	☐
E4. Is the property subject to any utility or other easements, shared driveways, party walls, or encroachments from or on adjacent property?	☐	☐	☐
E5. Does the property abut or adjoin any private road(s) or street(s)?	☐	☐	☐
E6. If there is a private road or street adjoining the property, are there any owners' association or maintenance agreements dealing with the maintenance of the road or street?	☐	☐	☐
E7. Is the property designated or registered as a historic property or located in a historic district?	☐	☐	☐

F. ENVIRONMENTAL / FLOODING

	YES	NO	NR
F1. 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 located on or which otherwise affect the property?	☐	☐	☐
F2. Is there 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?	☐	☐	☐
F3. Is there any noise, odor, smoke, etc., from commercial, industrial, or military sources which affects the property?	☐	☐	☐

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

PROPERTY ADDRESS/DESCRIPTION _____

Why so many duplicate questions?

	YES	NO	NR
F4. Is the property located in a federally-designated flood hazard area?	☐	☐	☐
If you answered yes, is there a current flood insurance policy covering the property? [NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy.] If yes, provide the annual premium amount: _____	☐	☐	☐
If you answered yes, is there a flood elevation certificate for the property?	☐	☐	☐
F5. To your knowledge, has the property experienced any damage due to flooding, water seepage, or pooled water attributable to a natural event such as heavy rainfall, coastal storm surge, tidal inundation, or river overflow?	☐	☐	☐
If you answered yes, 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 _____	☐	☐	☐
If you answered yes, have you received assistance from FEMA or any other federal disaster flood assistance for flood damage to the property? [Note: For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance when required can result in an owner being ineligible for future assistance.	☐	☐	☐
F6. ~~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: _____	☐	☐	☐
~~F7. Is there current flood insurance on the property? If yes, provide the annual premium amount: _____~~	☐	☐	☐
F8. Have you or any previous owner received assistance from FEMA, the US Small Business Administration, or any other federal disaster flood assistance for flood damage to the property? [NOTE: For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance can result in an owner being ineligible for future assistance.]	☐	☐	☐
F9. Is there a FEMA elevation certificate for the property?	☐	☐	☐

seems like the same question

G. MISCELLANEOUS

	YES	NO	NR
G1. 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?	☐	☐	☐

Why just proposed? I would add special assessments also (ex. non-HOA street lighting assessment)

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

Buyer Initials _____ Date _____ Owner Initials _____ Date _____

	YES	NO	NR
G2. Is the property subject to governing documents separate from an owners' association which impose various mandatory covenants, conditions, and/or restrictions upon the lot or unit?	☐	☐	☐

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

_____

_____

_____

_____

_____

_____

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

H. OWNERS' ASSOCIATION DISCLOSURE

	YES	NO	NR
H 1. Is the property subject to regulation by one or more owners' association(s) including, but not limited to, obligations to pay regular assessments or dues and special assessments? If your answer is "yes," please provide the information requested below as to each owners' association to which the property is subject [insert N/A into any blank that does not apply]:	☐	☐	☐

a. (specify name) _____ whose regular assessments ("dues") are $ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager are _____

_____

_____

b. (specify name) _____ whose regular assessments ("dues") are $ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager are _____

_____

_____

*** If you answered "Yes" to Question 1 above, you must complete the remainder of this Disclosure Statement. If you answered "No" or "No Representation" to the Owners' Association Question 1 above, you do not need to answer the remaining questions on this Disclosure Statement. Skip to the bottom of the last page and initial and date the page.**

	YES	NO	NR
H 2. Are any fees charged by the association or by the association's management company in connection with the conveyance or transfer of the lot or property to a new owner? If your answer is "yes," please state the amount of the fees: _____	☐	☐	☐

↑ additional dues, separate from those reported in #1.,

PROPERTY ADDRESS/DESCRIPTION _____

		YES	NO	NR
#3.	Are there any dues, fees, or special assessment which have been duly approved as required by the applicable declaration or by-laws, and that are payable to an association to which the lot is subject? If your answer is "yes," please state the nature and amount of the dues, fees, or special assessments to which the property is subject: _____ additional _____	☐	☐	☐
#4.	Are there any unsatisfied judgments against, pending lawsuits, or existing or alleged violations of the association's governing documents involving the property? If your answer is "yes," please state the nature of each pending lawsuit, unsatisfied judgment, or existing or alleged violation. _____	☐	☐	☐
#5.	Are there any unsatisfied judgments or pending lawsuits against the association? If your answer is "yes," please state the nature of each unsatisfied judgment or pending lawsuit. _____	☐	☐	☐

#6. 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.)

Options:	Y	N	NR	Options:	Y	N	NR
Exterior Building Maintenance of Property to be Conveyed	☐	☐	☐	Exterior Yard/Landscaping Maintenance of Lot to be Conveyed	☐	☐	☐
Common Areas Maintenance	☐	☐	☐	Storm Water Management/Drainage/Ponds	☐	☐	☐
Trash Removal	☐	☐	☐	Private Road Maintenance	☐	☐	☐
Pest Treatment/Extermination	☐	☐	☐	Parking Area Maintenance	☐	☐	☐
Water	☐	☐	☐	Security	☐	☐	☐
Sewer	☐	☐	☐	Internet Service	☐	☐	☐
Recreational Amenity Maintenance (specify amenities covered): _____ _____ _____	☐	☐	☐	Other: : (specify) _____ _____ _____ _____	☐	☐	☐

Owner(s) acknowledge(s) having reviewed this Disclosure Statement before signing and that all information is true and correct to the best of their knowledge as of the date signed.

Owner Signature: _____ Date _____

Owner Signature: _____ Date _____

Buyers acknowledge receipt of a copy of this Disclosure Statement and that they have reviewed it before signing.

Buyer Signature: _____ Date _____

Buyer Signature: _____ Date _____

WHITE STAG REALTY, LLC

1026 Jay St, Suite B165
Charlotte, NC 28208
980.777.4440
info@whitestagrealty.com

RECEIVED
JUN 28 2023
NORTH CAROLINA
REAL ESTATE COMMISSION

June 23, 2023

To whom it may concern,

I am writing to share my comments about the proposed Disclosure Statement to the NC Real Estate Commission. I appreciate any consideration given to my words.

It is my professional opinion that two items need to be addressed. First, the length of the new disclosure needs to be fixed. Second, the representations available to a homeowner in the process of selling, specifically the right to make no representation, needs to be done away with. Before I delve into these two points, I'll mention I'm not an attorney. This is not legal advice. This is not a legal interpretation of any sort. This is just a human with an opinion based on an empirical experience as a real estate agent. I own my own firm that operates in 2 states and have a team of double-digit agents, and I have been lucky to have seen more transactions in my 4 and a half years than I ever could have just as an independent agent doing my own deals. I've managed nearly 400 transactions for nearly $100M. Again, no legal degree or qualification, so my input is purely about logistics in the field and what I think is right, according to my moral compass and experience-based opinion.

First, regarding the length of the form, the longer the form becomes, it becomes not consumer-friendly. If the purpose of the forms is to provide consumers, whether they be buyers or sellers of real estate, some sort of enhanced protection, then it needs to be said that an 8 page disclosure (combined with the potential for another page regarding mineral, oil, and gas rights, another 2 pages for the lead paint disclosure, another 17 pages for an offer, and another 5-6 pages for a buyer agency agreement, which the state also mandates be in writing by the time of writing an offer) creates a stack of paperwork too large for the common person and their non-law-degreed Realtor to process together. It becomes much like the terms and conditions to any service you sign up for. No one reads it. Well, when it comes to transacting real estate, I think our goal SHOULD be that people read it. One way to assist with this is shortening the documents. I thought it would be funny if just to make the point, I wrote a 40-page letter expressing my concern about the length of the documents, but there's not enough time in the day. I'll just share that joke I considered and hope the point resonates.

Second, I believe the state needs to do away with "no representation" as an option for sellers when disclosing the condition of their home. This is the point I'm much more passionate about, so I have a list of points to be made:

- First, let it be known that I think the options that would make the most sense for a seller to have when executing a disclosure would be "yes" (meaning there IS an issue with a component of the home), "no" (meaning TO THE BEST OF THEIR KNOWLEDGE, there is NOT an issue with a component of the home), and "don't know" (meaning they don't know of an issue with a component of the home, but are too nervous to just put "no").

- Second, I believe in several states throughout the country, the old "caveat emptor" has been abolished within real estate transactions, for good reason. I believe "buyer beware" was intended to mean "buyer beware OF THE PRODUCT", which they should be. You're buying a house that's exposed to the elements and sitting on the Earth. There will eternally be things going on with it that aren't ideal. But North Carolina's coupling of this buyer beware notion with allowing sellers to choose to not represent known issues has created a situation where now the buyer has to be aware OF THE SELLER. In what other industry does this occur? Could Apple knowingly sell iPhones that have batteries that will for sure explode within the first few months of use and opt to not disclose such a defect? Could your water supplier knowingly put hexavalent chromium in your water supply and choose not to disclose (I watched "Erin Brokovich for the 11th time last night, so it's top-of-mind)? The answer is no. And even if legally the answer is "yes" (which I don't think it is), we live in a world where societal pressure can instill some changes or right a wrong, so the answer is no. Again, in summarizing this point - the buyer SHOULD beware...of the home they're buying, not the person they're buying it from.
- While I don't know how all 50 states in the country operate, I do think our coupling of this mis-interpreted "buyer beware" methodology, when combined with the due diligence payment that buyers are nearly always expected to make, creates a further hazard for buyers. A homeowner can willingly NOT disclose a known issue, accept a non-refundable deposit from a prospective buyer, and have the option to either cross their fingers that the buyer doesn't discover the issue prior to closing, or refuse to make the fix, knowing that if the buyer walks, the seller could use those funds to complete a repair. Now, I know it doesn't happen that way a lot, but that's because I think most people are inherently not douchebags. However, the state, in my opinion, shouldn't be conducive to that scenario as a possibility.
- I believe that because sellers do not have to disclose known issues, that's probably where this whole thing about real estate agents having to "discover and disclose" started, but that too doesn't make much sense. There are two subpoints as to why I think agents should have the duty to disclose but NOT discover (and just as a quick reminder, I'm bringing this up here because of my assumption that at some point, the state was like, "Well, if we're not going to have sellers disclose known defects, we have to have SOMEONE trying to find issues."):
    - First, real estate agents receive NO education about discovering issues, or how to know they're issues. I do not get a plumbing license to become a real estate agent. I do not become a master electrician to get my real estate license. Our profession has a remarkably low barrier to entry (for example, if I wanted to become a hair stylist, I think I'd still be in that school doing the 1500+ hours required), so to couple that super easy entry into our profession with the responsibility of "discover" makes 0 sense. That's a zero, not an O.
    - Second, the further issue with "discover" is that this industry and nearly everything that goes into real estate is OPINION-BASED. One more time for the people in the back. It's opinion-based. Or...even worse than opinions, people are WRONG. And if the state were to have the argument of "Well, agents don't get formal education, but they get it through the deals they do", then gosh dangit, whoever thinks that needs to get their real estate license. People we could learn from are often either wrong or don't share the same opinion. For example, I once sold a home with a brick veneer exterior. The buyer's inspector noted missing

weep holes, and said they were mandatory as of 1985 or something. Okay, I "learned" something. So then on a later transaction in my career, I thought I was being brilliant when I pointed out a home built in the 2000's did not have weep holes on the brick veneer. And guess what? That inspector said they weren't mandatory until about 2010. A 25-year difference in opinion. So all that to say - if the expectation is that agents learn on the job, then I'm here to declare the number one thing I've learned on the job is no one knows. No one knew polybutylene would be an issue. Heck, I even think Pex SEEMS great, but it also hasn't been used in construction long enough to know for sure.

In summation, I literally hate the idea of an 8-page disclosure. I further think it makes no sense to try that hard to prevent material misrepresentations (which I assume is the purpose for doubling the form's length) when you allow homeowners to not make any representation at all. I think this could all be resolved with doing away with "caveat emptor" for real estate transactions, doing away with the "no representation" box (adding "do not know" in its place), AND, a point I didn't mention, but giving a more concrete definition to what material information is. The other state I operate in, for example, says a seller has to disclose "defects", and defines defects as items that significantly affect health/safety of future occupants, the value of the home, or the longevity of the home (if not repaired). There's obviously still a gray area, but it's better than the current definition, because the way it is now, agents do some silly things to try and "discover" an issue - my personal favorite was an agent who whiffed the exhaust fumes from a gas pack to her nose, trying to discover thru the smell if the heat exchanger was cracked. While that was funny to hear about, it also points to the fact that the direction isn't clear, and those trying to follow the direction are going in all different directions with it.

Hoping for shorter forms, a more balanced approach to consumer protection for sellers AND buyers, and just generally some level of consideration on where I'm coming from.

Cordially,

Josh Dilmaghani
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1026 Jay St
Suite B165
Charlotte, NC 28208

April 17, 2023

MEMORANDUM

TO: NC Real Estate Commission
FROM: Donna Creef, Government Affairs Director, Outer Banks Association of REALTORS®

RE: Revisions to Residential Property and Owners' Association Disclosure Form

These comments are submitted on behalf of the Outer Banks Association of REALTORS® (OBAR) regarding the proposed revisions to the Residential Property and Owners' Association Disclosure Statement. A copy of the draft revised form was provided to OBAR by NC REALTORS®.

1. The draft revised disclosure form includes "Instructions to Real Estate Brokers" as a new section. The last sentence on page 1 states "A broker shall discover and disclose any material facts about the subject property that the broker knows or reasonably should know and not rely solely on the seller's representation." Item #3 on the current disclosure form is similar, but the word "discover" has been added to the draft form. Additional guidance on the expectations of "discover" is requested. Does this mean a home inspection should be conducted by the broker as part of the discovery process?

2. Although question #3 on the draft form has not been revised, some OBAR members indicated this question involves knowledge that only a structural engineer would be able to discern, not a real estate agent. Issues with a foundation of a structure are generally not readily apparent unless an engineering analysis is performed.

3. Question 14 requests information on the dwelling's water supply. It may be prudent to also include a question on the type of wastewater system – on-site septic or centralized system.

4. Questions 22-23 address elevators systems in structures. It may be appropriate to include a reference to NCGS 143-143.*7 Elevator safety requirements for certain residential rentals* in these questions.

5. Questions 34 – 37 address the flood hazards associated with a property and request information about flood damage and flood claim history for a property, flood insurance coverage, and federal assistance for flood damage.

Although a current owner may be aware of past flood damage or any flood claims filed during their tenure of ownership, a broker may not readily secure a history of flood claims.

Due to federal privacy laws, NFIP flood loss history is only released to the current property owner, the insured, or the claimant. The annual premiums for flood insurance policies have the potential to vary significantly depending on the individual's circumstances and an answer to question 36 will not necessarily be the same for a new buyer. An elevation certificate does provide valuable information about a structure; however, an elevation certificate is no longer required for flood insurance coverage under the NFIP Risk Rating 2.0 program. In lieu of these five questions, a general statement about the importance of flood insurance coverage is recommended such as: *Structures in special flood hazard areas with federally regulated or federally insured mortgages are required to have flood insurance by federal law. Even when not required, the Federal Emergency Management Agency encourages property owners in all flood zones, including Shaded X zones and X zones, to purchase flood insurance coverage for the structure and contents within the structure.*

6. There are several items in question 47 that are proposed to be deleted. These items are useful information for real estate transactions, and it is recommended they be kept in the disclosure form.

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Possible Topics for 2024-2025 Update Courses

Notes:

- The source of each topic suggestion is noted in parentheses.
- Tine must be allotted for *Law and Rules Updates* and *Licensing and Education* sections.

General Update Course (GenUp)

- Homeowner Self-Improvements & Modifications (Staff)
    - Permits & Considerations
    - General Contractors License Requirements (40K)
- Unfair Rental Agreement Act (Staff)
    - H422
- Vacation Rental Act (Staff)
    - Scope and applicability to transactions
- Environmental Issues in Real Estate (Instructor)
    - Solar panels
        - Resale/UCC liens
    - Insurance coverage
        - Coastal areas
    - Water resources
    - Airport corridors
- Advertising (Instructor)
    - Entities created for compensation only
- Fair Housing/Affordable Housing (Commission members)
- Items Suggested by Students in the 2022-2023 Update Survey
    - Detailed contract review
    - Negotiation training
    - Properly handling and negotiating of repair requests
    - Include sections on form changes and proper use of forms
    - Detailed CMA and comparables training
    - How and where to search to verify things prelisting and preoffer
    - Lead generation and marketing tips
    - Do’s and Don’ts regarding licensees investing in real estate
- Current Complaints/FAQs

Broker-in-Charge Update Course (BICUP)

- Succession Plans (Staff)



Note: Staff will incorporate the BICUP content at the end of the student manual. Staff also suggests adding additional information regarding BIC responsibilities since the Commission is currently discussing this issue using the data received from the "BIC Focus Groups.

Summary of Previous Update Topics

YEAR	General Update (GenUp)	Broker-In-Charge (BICUP)
2017-2018	• Radon • Property Management (Landlord-Tenant law & Vacation Rental Act changes; HUD: Criminal Records & Disparate Impact; Unintentional Property Manager; Broker Surcharges) • Law & Rule Updates (increase in application & reinstatement fees; BIC renewal disclosures; TRID update; ADA compliant websites; drones) • Protecting Consumers' Confidential Information • Licensing & Education Review	Same content as GenUp plus: • Trust Account Record Keeping • Requirements & 3-Way Reconciliation • Supervisory Obligations for PBs vs. Brokers • Advertising Duties
2018-2019	• Law and Rule Updates • Material Facts • Contract Issues • Agency Issues • Property Management • Licensing and Education	Same content as GenUp plus: • Supervision of PBs • Trust account considerations in Property Management • BIC Best Practices Guide
2019-2020	• Competence of Licensees • Material Fact • Home Inspections • Wire Fraud • Licensing and Education • Law and Rules Update	Same content as GenUp plus: • Supervision of Brokers (WWREA) • Record Retention
2020-2021	• Fair Housing • Contracts • Cybersecurity • Licensing and Education • Law and Rules Update	Same content as GenUp plus: • Provisional Brokers on a Team

2021-2022	• New WWREA Disclosure • Racial Equity • Broker Fiduciary Duties • Law and Rules Update • Licensing and Education	Same content as GenUp plus: • Broker-in-Charge Best Practices Guide
2022-2023	• Material Facts • Dual Agency • Law and Rules Update • Licensing and Education	Same content as GenUp plus: • BIC Responsibilities
2023-2024 (current)	• Handling Complaints • NCREC FAQs • Challenges of a Changing Market • Law and Rules Update • Licensing and Education	Same content as GenUp plus: • BIC Policies

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March 19, 2024 Educators Conference
Budget Review and Consideration of Registration Fees

Financial Report – Receipts, Line 98 – Current Budget $25,000
Proposed registration fee - $49

Estimated 2024 Expense Compared to 2023 Actual

Expenses	Estimated	Actual
Venue	$2,725	$2,725
Additional Technical Equipment	$500	$240
Signage (Easels, Boards, Directional Signs)	$1,000	$600.68
Attendee Materials (Conference Book) Poole Printing	$3,000	$3,617.49
Lanyards & Name Tags	$1,500	$537.47
Keynote speaker	$4,000	$4,000
Food		
Welcome Breakfast, Morning, & Afternoon Break Refreshments	$9,000	$3,670.22
Lunch	$6,000	$5,479.88
Total expenses	**$27,725**	**$20,870.74**
Equates to $90 Per Registrant		
Income		
Registration fees $49 @ 300 registrants	$14,700	$14,749
Total income	**$14,700**	**$14,749**
Net NCREC Budget Impact		
Net Amount	**- $10,025**	**- $6,121.74**
Total Commission Budget	**$25,000**	**$36,000**

****Financial Report Budget Line 96 – Educators Conference $36,000.**
Total Net Event Cost to Commission $6,121.74
Event was under budget by $29,878.26

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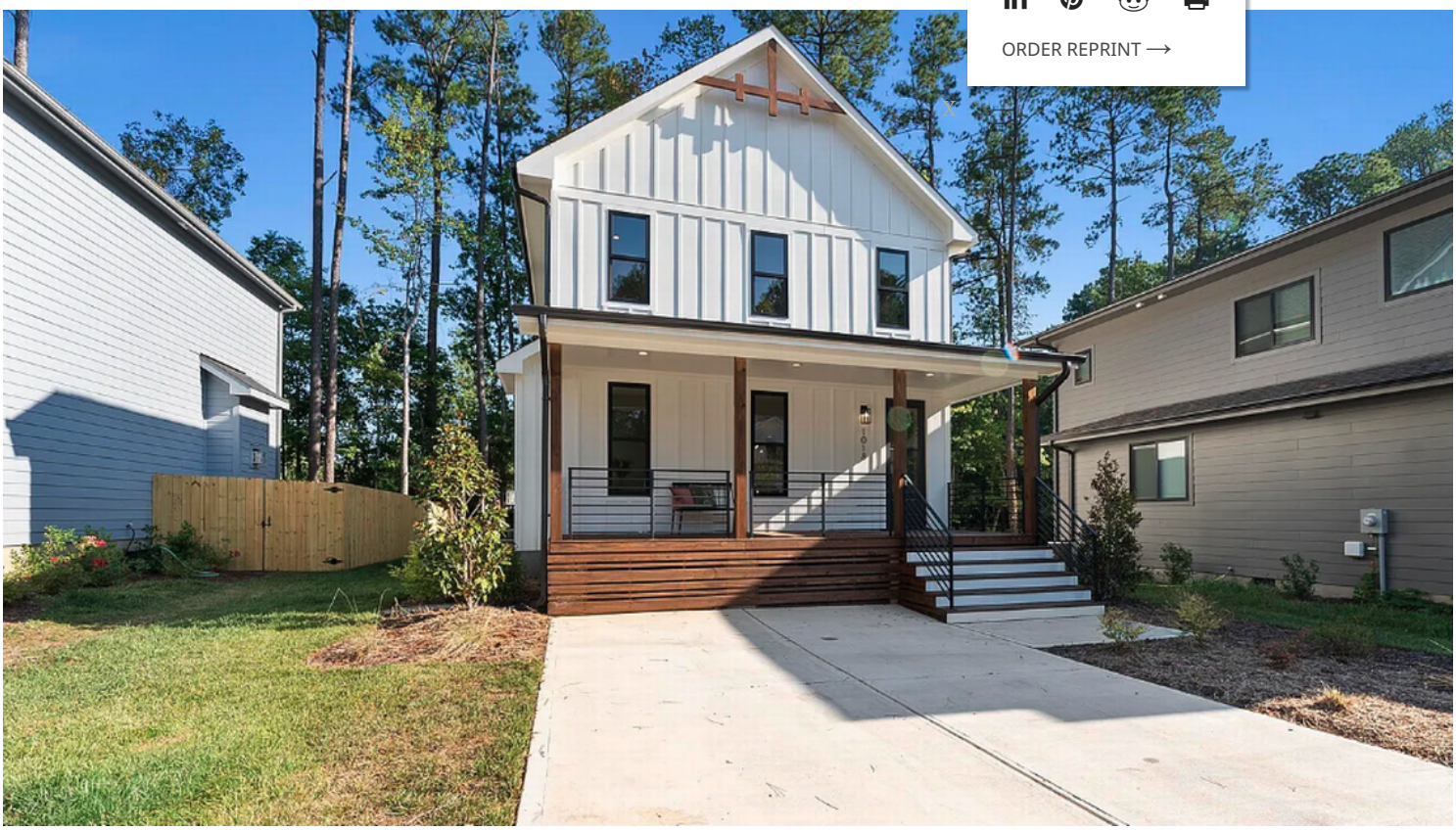
REAL ESTATE NEWS

Durham home lists for $355K — 25% below market value. Here's the catch.

BY CHANTAL ALLAM

UPDATED OCTOBER 11, 2023 5:29 PM

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1018 Nassau St., Durham. It's currently listed at $355,000 -- about 25% below-market value. *TMLS*

Only have a minute? Listen instead
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A brand-new 1,760-square-foot modern white farmhouse on Nassau Street, just minutes from downtown Durham, is currently listed at $355,000 — about 25% below market value.

It's an incredible deal in today's Triangle housing market, where prices don't budge much.

But here's the catch: The land is not included.

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The three-bedroom, three-bathroom house is on a 99-year ground lease. Future buyers may own the house — but the seller, Groundly, a New York-based real estate startup that launched in the Triangle this month, owns the earth it sits on. They purchased the property for $500,000 on Aug. 7 and are now reselling just the home.

Homeowners pay ground rent on top of mortgage payments, starting at $613 per month and increasing 2% every year. After 55 years, the homeowner has the option to purchase the land for $1, but conditions apply.

"Our concept is simple," Groundly said in an email to The N&O. "In addition to a traditional home mortgage, a home buyer can use our ground lease product to buy more home for less money out of their pocket." That makes homeownership "more attainable and affordable," it said.



An inside view of 1018 Nassau St., Durham. It's currently listed at $355,000 -- about 25% below-market value. *TMLS*

GROUND LEASES AS A FINANCING PRODUCT

Ground leases are not new, but they're typically associated with commercial real estate or community land trusts like Raleigh Area Land Trust and Chapel Hill's Community Home Trust, which are dedicated to preserving affordable housing.

Ground leases in the residential market are not common, Realtors say. That may change.

As inflation, rising mortgage rates and high home prices keep homeownership out of reach for many across the Triangle, Groundly is among several alternative home-financing solutions to turn up in recent years, promising to help families get into their "dream home," even if they don't qualify for a traditional mortgage.

On average, Groundly says buyers can save "up to 30% on their down payment and 10% on their initial monthly costs" using its ground-lease model.

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WAKE COUNTY

What are the big black boxes popping up in downtown Raleigh? Wander no more.

Oct 9, 2023

LOCAL

She's on a crusade to rid Raleigh of invasive plants. The ivy doesn't stand a chance.

Oct 10, 2023

LOCAL

As massive luxury apartments go up, Raleigh retailers and eateries feel 'squeezed out'

Oct 11, 2023

LOCAL

Gas-powered leaf blowers are a LOUD, polluting fall scourge. Here's an idea: Ban them.

Oct 9, 2023

In turn, buyers get a smaller mortgage. They also get to live in a more expensive home than they could otherwise afford.

In August, the company, under the business name Groundly Home Owner LLC, closed on six properties across the Triangle at prices ranging from $514,000 to $1.7 million, tax records show. It now plans to resell the homes for below market rates with ground leases.

Listed with Durham-based West and Woodall Real Estate, three of the six houses are currently on the market.

In addition to the Durham home, there is a custom-built 5,081-square-foot craftsman on Collins Drive in Raleigh's North Hills for $1.27 million, which Groundly purchased for $1,795,000 on Sept. 6. Initial monthly ground rent starts at $2,295.

The third is a four-bedroom, three-bathroom traditional home in Chapel Hill's coveted Lake Hogans neighborhood. It's currently on the market for $505,000, after the company bought it for $699,000 on Aug. 8. Initial monthly ground rent starts at $976.



1005 Collins Dr, Raleigh, NC 27609. It's currently listed for $1,270,000 million with a ground lease. *TMLS*

X



133 N Fields Cir, Chapel Hill, NC 27516. It's currently on the market for $505,000 with a ground lease. *TMLS*

The company is expected to list its three other properties in the coming weeks under the same conditions.

They include two properties in Durham: 1838 Sandoval Drive, bought for $605,000 on Aug. 29; and 3 Moss Creek Ct., bought for $770,000 on Aug. 31.

The third is in Chapel Hill's Southern Village at 202 Calderon Dr., a 2,966-square foot home bought for $915,000 on Aug. 15.

THE FLIP SIDE

Many buyers, no doubt, will be tempted. The properties are all in some of the Triangle's most coveted neighborhoods.

But some local Realtors and lenders have urged caution.

"It's generally recommended to own an appreciating asset and lease a depreciating asset," says Samantha Greaves, a broker with RED Collective | COMPASS in Durham. "Conventional wisdom is reversed here."

Ground leases potentially create "severe marketability problems," she adds, and concerns for future buyers acquiring financing with conventional mortgages.

"It's very short-term thinking," she says.

Nate Haines is a senior loan officer with Chapel Hill-based Robby Oakes Mortgage Team. After reviewing Groundly's terms, he said he hadn't seen a ground lease like it before.

Technically, it's allowable for conventional loans under the government-backed Freddie Mac and Fannie Mae, which supports around 70% of the mortgage market, he says.

"But there's not really a precedent. We had trouble figuring out if the ground lease itself was usable. We still don't really have a definitive answer on that."

In particular, he sees "red flags" with the annual 2% lease hikes.

"A lot of people don't have 2% annual increases in wages," he says. "To me, that just sets up people to future affordability problems."

ON THE MARKET

Keep up with the latest Triangle real estate news by subscribing to On the Market, The News & Observer's free weekly real estate newsletter. Look for it in your inbox every Thursday morning. Sign up here.

This story was originally published October 11, 2023, 12:40 PM.

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CHANTAL ALLAM

919-829-4522

Chantal Allam covers real estate for the The News & Observer and The Herald-Sun. She writes about commercial and residential real estate, covering everything from deals, expansions and relocations to major trends and events. She previously covered the Triangle technology sector and has been a journalist on three continents.

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REALTOR MAGAZINE

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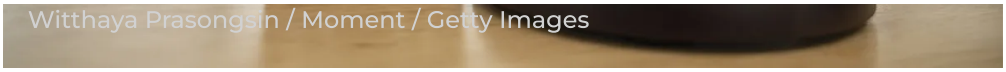
October 31, 2023

Legal, MLS & Online Listings, Fostering Consumer-Friendly Real Estate Marketplaces

The association says it will continue to advocate for pro-consumer, pro-competition MLS rules.



Feedback


Witthaya Prasongsin / Moment / Getty Images

The National Association of REALTORS® and two codefendants were found liable Tuesday in the federal Sitzer/Burnett trial, which challenged MLS rules and the real estate compensation model. The eight-person jury also found liable HomeServices of America and Keller Williams Realty, which were named in the lawsuit.

During the 11-day trial, NAR presented the facts and law about pro-consumer, pro-competition MLS rules, which class-action attorneys called into question. The case covers the Missouri markets of Kansas City, St. Louis, Springfield and Columbia.

“NAR rules prioritize consumers, support market-driven pricing and promote business competition,” the association said in a statement. “This matter is not close to being final, as we will appeal the jury’s verdict.”

In presenting their case, plaintiffs argued buyer representation is obsolete and should only be afforded to wealthy buyers who can pay for the services out of pocket. They also alleged commission rates are too high, buyer brokers are being paid too much and NAR rules, along with the corporate defendants’ practices, lead to fixed pricing.

NAR countered that consumers are better off and business competition is able to thrive because of MLS rules and how well local broker marketplaces function. NAR’s cooperative compensation rule ensures efficient, transparent and equitable local broker marketplaces. Sellers can sell their home for more and have their home seen by more buyers, while buyers have more choices of

homes and can afford representation. NAR also argued that REALTORS® are everyday working Americans who are experts at helping consumers navigate the complexities of home purchases, as well as advocating for fair housing and wealth-building for all.

NAR plans to appeal the jury's verdict, but that process could take years to resolve. NAR says it remains committed to pro-consumer, pro-competition practices and is confident the association will ultimately prevail.

Key points that emerged throughout the trial:

About NAR

- The very reason NAR exists as a trade association is because there was a need, identified more than 100 years ago, for a higher level of ethical practice in real estate.
- NAR rules are made as part of a public rulemaking process and are consistently shared and made available publicly.
- NAR does not seek, track, receive or set commissions for buyers' or sellers' agents.
- NAR is an advocate and resource in the real estate market for its members and their clients, and only NAR members can call themselves REALTORS®.
- NAR membership includes robust benefits, such as exclusive access to health, home and auto insurance. NAR offers business and marketing services, as well as extensive opportunities for learning through designation and certification programs.

About REALTOR® Value

- Agents who are REALTORS® play a critical role in guiding consumers through all the legal, financial and community complexities of buying a home. They also make local broker marketplaces, which online housing portals tap into, possible because of all the information they input into those databases.
- Real estate agents are consumers' advocates. They lead as entrepreneurs, experts and philanthropists to protect consumers, build generational wealth and contribute to local and national economies.
- Having a local expert manage the process is more important than ever. All of the sellers who testified in the case said they used an agent and were very satisfied with the services provided to them.

About Broker Compensation

- Agent compensation is set between brokers and their clients and has always been negotiable at any point in the transaction, as set forth in NAR's publicly available guidance for members. And those costs are spelled out to buyers and sellers.
- If buyers had to pay out of pocket for representation, that would reduce the number of buyers and the money buyers have to purchase homes from sellers.
- Every plaintiff in this case knew the commission they were paying to their agent and agreed to it in writing.
- The cooperative compensation rule ensures both buyers and sellers are well represented and that the buyer broker knows what they will be paid before they commence work.

For more about what the trial outcome means and related questions, see these questions and answers. Also, visit competition.realtor to find facts, infographics, videos, articles and other content to share about the value of REALTORS® and how local broker marketplaces increase consumer access and opportunity and foster business competition.

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BROKERAGE

Sitzer attorney files new suit against Compass, Redfin, others

Michael Ketchmark filed the new lawsuit just moments after a jury sided with his clients in the Sitzer | Burnett case. The new suit claims another batch of companies committed a conspiracy



BY ANDREA V. BRAMBILA AND JIM DALRYMPLE II
October 31, 2023

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Just minutes after a jury sided with a group of homeseller plaintiffs Tuesday in the bombshell Sitzer | Burnett trial, attorney Michael Ketchmark filed a new class action lawsuit accusing another batch of big-name real estate companies of engaging in a conspiracy.

Ketchmark, of the law firm Ketchmark and McCreight, filed the case in the U.S. District Court for the Western District of Missouri on behalf of homesellers Don Gibson, Lauren Criss and John Meiners.

The case echoes the Sitzer | Burnett suit in challenging the practice of having homesellers pay sales commissions to buyers' agents, which the plaintiffs allege violates the Sherman Antitrust Act. Both suits, as well as the high-profile Moehrl case in Illinois, describe this practice as the result of an industry conspiracy that inflates both agent commissions and costs to consumers.

The new complaint names seven defendants: Compass, eXp World Holdings, Redfin, Weichert Realtors, United Real Estate, Howard Hanna Real Estate, Douglas Elliman, and the National Association of Realtors.

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Fresh off the Sitzer | Burnett jury verdict, Ketchmark told Inman, "Today we also filed a nationwide lawsuit against the other major corporate real estate companies who are involved in this, along with NAR, across the country.

"Our hope and goal is to free the grip they have on homesellers across the United States. It's time that the free market and the internet is allowed to do its work and to bring the savings to homeowners that they're so entitled to when they sell their homes."

The suit promises to be much bigger than either Sitzer | Burnett or Moehrl in terms of scope. Filed Oct. 31, the suit seeks class action status on behalf of "all persons who listed properties on a Multiple Listing Service in the United States using a listing agent or broker affiliated with" the corporate defendants and who paid a buyer broker commission from October 31, 2019 until the present.

The complaint seeks class certification, a jury trial, a damages award, and a permanent injunction preventing the defendants from "(1) requiring that sellers pay the buyer broker, (2) continuing to restrict competition among buyer brokers and seller brokers, and (3) engaging in any conduct determined to be unlawful," among other relief.

Like the other cases, the Gibson suit targets NAR's cooperative compensation rule, also known as the Participation Rule, which requires listing brokers to make an offer of compensation to buyer brokers in order to submit a listing to a Realtor-affiliated MLS.

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"Corporate Defendants — by virtue of compelling and/or encouraging their franchisees, brokers, and agents to belong to NAR and adhere to its rules — adopt, implement, and enforce the Mandatory Offer of Compensation Rule," the complaint says.

If buyers paid for their own agents, "[b]uyer brokers would thus have to compete with one another by offering a lower commission rate," the complaint adds.

The complaint contends that "real estate commission rates have persisted and remained steady in a range of 5% to 6%," despite transaction costs declining "dramatically" in other industries.

The complaint alleges "many other local Realtor associations and real estate brokers participated as co-conspirators," including MLSs who've adopted the rule, "nearly all who own, operate, and participate" in such MLSs, and "the franchisees and brokers of Defendants" who "agreed to, complied with, and implemented" the rule.

"Defendants are jointly and severally liable for the acts of their co-conspirators whether named or not named as a defendant in this Complaint," the complaint says.

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The complaint includes public statements made by the defendants in which they admit to following NAR's policies. This includes statements made by tech-focused brokerage Redfin, which earlier this month announced it was leaving NAR and requiring its agents to do the same in markets where Realtor membership is not a requirement to join an MLS.

"According to Redfin's statement, the company had 'already been uncomfortable with the NAR's positions on commissions …' and it objected to the fact that 'NAR still blocks sellers from listing homes that don't pay a commission to the buyer's agent …'," the complaint says.

"Through its statement, Redfin admits that NAR's policies were anti-consumer, and that Redfin continued to adhere to them even after it grew 'uncomfortable.'"

The complaint acknowledged that Redfin had called for NAR to "decouple" MLS access from Realtor membership, but added, "Redfin's position, though, ignores the fact that it adhered to, implemented, and enforced those same anti-consumer rules for years through its membership to NAR.

"Simply put, despite its recent change of heart, Redfin has been part of the conspiracy throughout the Class Period and must now account for its historic role in the conspiracy outlined herein."

Inman reached out to the defendants in the new case Tuesday.

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brokers is best for consumers. It gives the greatest number of buyers a chance to afford a home and professional representation, while also giving sellers access to the greatest number of buyers."

Howard Hanna and Compass both declined to comment. In a statement, eXp said that "while we are still studying the formal complaint, we have been closely observing the ongoing antitrust litigation against our competitors in recent years."

"We are committed to upholding fair and transparent practices compliant with law and we already have mechanisms and a plan in place that enables buyers and sellers to negotiate commissions," the statement added. "Our agile business model allows us to make adjustments seamlessly and effectively, no matter the jurisdiction."

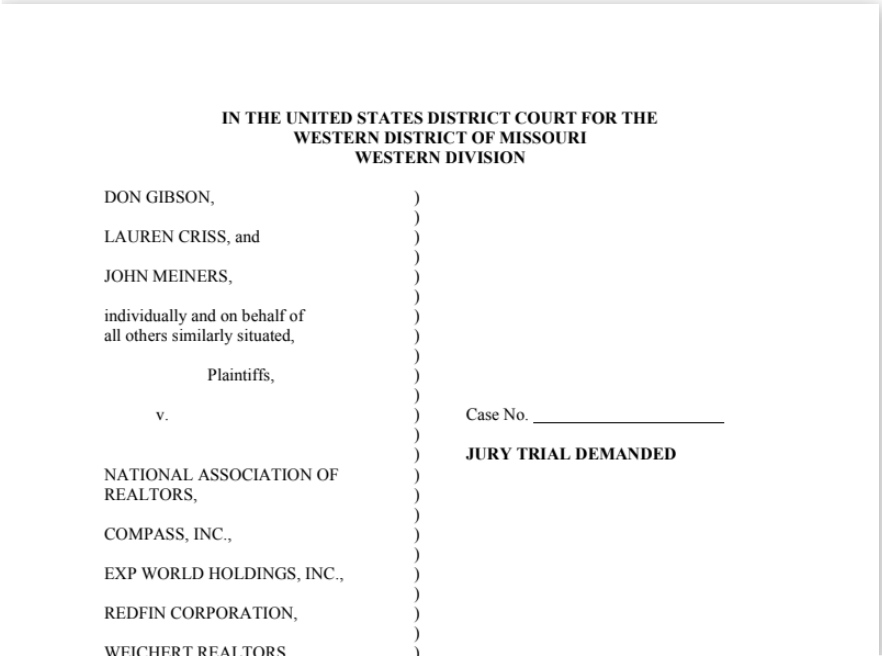
Redfin referred Inman to a blog post from CEO Glenn Kelman Tuesday. The post concluded that "structural change is coming" in the wake of Tuesday's verdict. It also described the new case as a "copycat lawsuit."

"As a company that exists to give real estate consumers a better deal, Redfin is proud of our unwavering consumer advocacy. Redfin has saved our clients more than $1.5 billion in fees," the post added.

Weichert, United Real Estate and Douglas Elliman did not respond to requests for comment. Inman will update this story with any additional comments the defendants provide.

Update: This post was updated after publication with additional details from the suit, background information, and statements from the various parties involved.

Read the complaint:



IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

DON GIBSON,
LAUREN CRISS, and
JOHN MEINERS,
individually and on behalf of
all others similarly situated,
Plaintiffs,
v.
NATIONAL ASSOCIATION OF
REALTORS,
COMPASS, INC.,
EXP WORLD HOLDINGS, INC.,
REDFIN CORPORATION,
WEICHERT REALTORS

Case No. _____

JURY TRIAL DEMANDED

Email Andrea V. Brambila.

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TOPICS: Compass | Douglas Elliman | eXp Realty | Redfin

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NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA
REAL ESTATE COMMISSION
Case #A23-3097

IN RE:

Application for a Real Estate
Broker License of:

TIERRA MONIK WILLIAMS,

Applicant.

NOTICE OF HEARING

In accordance with the Administrative Procedures Act, Chapter 150B of the North Carolina General Statutes, and 21 N.C.A.C. 58A .0616, you are hereby notified that the North Carolina Real Estate Commission (hereinafter "Commission") has received information which, if true, may warrant the denial of your application for a real estate broker's license pursuant to N.C.G.S. § 93A-4.

Information before the Commission tends to show:

(1) On or about November 30, 2022, TIERRA MONIK WILLIAMS (hereinafter, "Applicant"), applied to the North Carolina Real Estate Commission to become licensed as a real estate broker.

(2) In connection with her application, Applicant misrepresented that she had passed the State portion of her licensing examination on April 20, 2023, when, in fact, she had not.

(3) On May 22, 2023, Applicant ultimately passed the State portion of the licensing exam and her application was flagged for character and fitness review.

(4) On June 5, 2023, following an investigation by the Commission, Applicant admitted to submitting falsified documentation of her exam score.

(5) For the foregoing reasons, Applicant does not possess the requisite honesty, truthfulness, integrity, good moral character, and general fitness, including mental and emotional fitness, to engage in the business of a real estate broker or otherwise hold the position of public trust and confidence which licensure as a real estate broker demands.

You have the right to a hearing before the Commission to demonstrate that, despite the above, you possess the requisite character for licensure. The hearing has been scheduled for October 11, 2023, at 1:00 p.m., or as soon thereafter as the matter may be heard, in the Commission's offices at 1313 Navaho Drive, Raleigh, North Carolina 27609. If you are not present, a decision will be reached in your absence and you will be deemed to have waived your right to a hearing.

You are entitled to be represented by counsel and to put on evidence in your behalf. You are referred to Chapter 150B of the General Statutes of North Carolina for a full statement of your rights.

This 10th day of August, 2023.

NORTH CAROLINA REAL ESTATE COMMISSION

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