

## INSPECTION GUIDELINES

### General Information

- Inspections are required for existing homes. If the house has recently been built (6 months ago or sooner), a Certificate of Occupancy (CO) is required. New homes over 6 months old require a City inspection.
- **HouseCharlotte will not process inspection request on tenant-occupied properties. HouseCharlotte Inspections will not be performed on properties found to be tenant-occupied.**
  - Contracts need to be dated after property is vacant
  - A new Inspection request will need to be submitted with the updated contract.
- The HouseCharlotte inspection is a code inspection, make sure that contacts know it is not a full home inspection. Please note that we also recommend that a full structural/mechanical home inspection from a reputable licensed Inspector be completed prior to closing.
- If any of the “lead-based paint” questions have been answered “yes” on the inspection request, the borrower should negotiate with seller to pay for the lead paint inspection, as this will not be provided by HouseCharlotte.
- Inspections are valid for a 3 month period.
- Buyers have the option of hiring an independent Licensed NC Home Inspector, **at buyer’s cost**, to perform the required inspections. Additional documentation is required.
- A **Passed** Inspection is required before HouseCharlotte funds can be released.\*
- Required forms are located on the website - [www.HouseCharlotteProgram.com](http://www.HouseCharlotteProgram.com) .

### Ordering a HouseCharlotte inspection - Option 1

1. Email your request to HouseCharlotte group email address - [HouseCharlotte@cmhp.org](mailto:HouseCharlotte@cmhp.org). Fax is also acceptable, but email is preferred. Fax # 704-342-2745. \*\*\*If faxing, please notify us via email or phone call to confirm receipt.\*\*\*
  - a. Must include the completed Inspection Request form and the fully executed Purchase Contract with ALL addendum, including the following when applicable:
    - i. Lead Base Addendum if the home was built prior to 1978
    - ii. FHA Addendum
2. An email will be sent to the requestor, notifying them to contact the Inspector to schedule a date and time for the inspection to be performed.
  - a. A copy of the “Vacant Homes Utility Checklist” will be attached, explaining what utilities must be operating at the time of inspection. If utilities are not on, or other items/systems that need to be in working order are not, the inspection will not be completed. This will require the inspector to make an additional trip, which HouseCharlotte will not pay for.
3. Once inspection is completed, the requestor and HouseCharlotte will be notified if the inspection **Passed** or **Failed**.
  - a. For failed inspections, the Inspector will provide a list of required repairs. Once repairs are completed, you will need to notify the Inspector that the home is ready for re-inspection.

**\*Repair Escrow request - available with Option 1 ONLY!!!** If inspection has failed, and borrower wishes to set up an escrow for repairs to be completed after closing, the following steps must be taken:

- a. Verify that 1<sup>st</sup> mortgage lender will allow the funds to be escrowed. If not, this process cannot move forward.
- b. Buyer and Buyer’s Agent must fill out and sign the Escrow Agreement

- c. A NC licensed General Contractor must provide an itemized estimate of cost to fix required items. The buyer and seller should negotiate to agree upon who will fund repairs.
- d. If the repairs estimate exceeds \$2500, a Repair Escrow will not be allowed. All required repairs must be completed prior to funding.
- e. If the repairs are \$2500 or less, the estimate must be forwarded to HouseCharlotte for review. If approved, an escrow will need to be set up with the Closing Attorney (or lender when applicable) to allow HouseCharlotte funds to be released and closing to occur.
- f. The escrow funds must be provided by the person funding the repairs. These may not be HouseCharlotte funds under any circumstances.
  - a. If the Homeowners Association has agreed to pay for some of the repairs, it is required that we receive, on HOA letterhead, a written statement detailing which repairs they will cover.
- g. **All repairs must be completed within 30 days of closing date.** After closing and upon notice of completion of the repairs the Inspector must re-inspect the property to ensure that all required repairs have satisfactorily been completed. The Inspector notifies us that property has passed inspection.
  - 1. Once the Passed Inspection is received, HouseCharlotte will notify Attorney that funds can be released.
  - 2. The escrowed funds will be released directly to the contractor.

### **Independent Inspection - Option 2**

In lieu of the HouseCharlotte Inspection, buyers have the option, **at the buyer's cost**, to hire an Independent NC Licensed Inspector to perform the required inspection on their prospective property. However, additional documentation is required. The Inspector must complete the **HouseCharlotte Minimum Housing Inspection** form, **along with** their normal inspection form.

1. The link to this form is located on the HouseCharlotte website in the Inspection section.
  - a. Page 1 must be completed, as well as each section on page 2-12.
  - b. **Each item that is marked "Failed" must be repaired** prior to funding.
2. Upon completion of the inspection, the fully executed contract, the inspection, and the completed 12 page *HouseCharlotte Minimum Housing Inspection* form must all be forwarded to HouseCharlotte via email to [HouseCharlotte@cmhp.org](mailto:HouseCharlotte@cmhp.org).
3. These documents will be forwarded to the City of Charlotte for review.
4. Once the repairs are completed, please notify HouseCharlotte so that the City can verify that all required repairs have been satisfactorily completed.
5. You will notified of any additional request from the City.
6. Lead Base Paint & Tenant Occupancy requirements still apply.
7. ***Repair Escrows are not allowed if the customer chooses Option 2, as all failed items are considered as City Code violations, will require repair prior to closing.***

**IT IS EXTREMELY IMPORTANT that if your customer chooses this option that you *understand and furthermore* COMMUNICATE TO THE INSPECTOR THAT TENANT-OCCUPIED PROPERTIES ARE NOT ALLOWED WITH THE HOUSECHARLOTTE PROGRAM**