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PROTECT YOURSELF WHEN BUYING YOUR HOME

1. **YOUR OFFER TO PURCHASE AND CONTRACT** on the house must be in writing and signed by both the buyers and the sellers. The purchase price and any conditions on the purchase are clearly stated so that everyone understands them. If the home does not pass inspection and the seller refuses to make necessary repairs, buyers can reserve the right to back out.
2. **HAVE AN INSPECTION DONE ON THE HOME BY A CERTIFIED, LICENSED INSPECTOR.** You may be able to negotiate for the seller to pay for it. If not, it is worth the fee.
3. **IF YOU ARE BUYING A HOUSE THAT NEEDS MAJOR REPAIRS, HIRE YOUR OWN CONTRACTOR.** Though there are many reputable home repair contractors, home repair loans are easily subject to fraud when the mortgage broker, lender or contractor are working together. If someone else promises to make or pay for repairs, those promises should be written into the contract and the buyer should be able to cancel the deal if the repairs are not made as promised prior to closing.
4. **GET A WRITTEN ESTIMATE OF THE COST OF THE REPAIRS BEFORE CLOSING.** If you plan to finance the repairs, the Settlement Statement that you sign at the closing should reflect the same price for repairs as your written estimate.
5. **FUNDS BORROWED FOR REPAIRS SHOULD NOT BE PAID DIRECTLY TO THE CONTRACTOR AT CLOSING.** Any home repair funds should be paid into escrow or to both the borrower and the contractor.
6. **CONSULT AN ATTORNEY OF YOUR CHOICE.** Even though the borrower pays attorneys fees at closing, the attorneys arranged by the lender actually represent the lender or the settlement company. If you choose for your attorney to either conduct the closing or to review the documents for you, that person is representing YOUR best interest and can advise you on the details of the loan.
7. **IF YOU DON NOT SPEAK ENGLISH, TAKE AN INDEPENDENT TRANSLATOR TO THE CLOSING.** The translator should be protecting your interest. The lender, lender's attorney, and the mortgage broker have their own interests to protect that may conflict with yours.