

The ABC's of Agency: Understanding Real Estate Brokerage Relationships in Georgia

2024 Printing

Real estate brokers are licensed professionals trained to help consumers buy, sell, or lease real property. They often perform their duties through affiliated licensees who are commonly referred to as real estate agents. Except where the context might indicate otherwise, in this brochure the term "broker" shall include broker's affiliated licensees. The business relationship between real estate brokers and consumers can take many forms, each of which is called a brokerage relationship. This brochure describes the types of brokerage relationships most commonly offered by real estate brokers. Hopefully, the brochure will make it easier for consumers to make informed choices on how best to work with a real estate broker. It should be noted that real estate brokers are not required to offer all of the brokerage relationships described in this brochure. Instead, each real estate broker is free to decide which of these relationships he or she will offer.

Real Estate Brokerage Generally. As a general rule, only licensed real estate brokers can be paid a fee to help consumers buy, sell, or lease property. Many brokers have licensed real estate salespersons, commonly known as real estate agents, who act on behalf of the broker in helping consumers buy, sell, or lease property. While real estate agents can be employees of the real estate broker, most act as independent contractors. Real estate brokers often incorporate or set themselves up as limited liability companies or partnerships. All brokerage firms, however, are required to have a qualifying broker. In the majority of real estate transactions, the consumer interacts only with his or her real estate agent and not the real estate broker. The real estate broker in those instances works behind the scenes to solve problems and support, supervise and assist his or her agents.

Clients vs. Customer. Customer in Brokerage Relationships. All brokerage relationships fall into one of two broad categories: (a) broker-client relationships; and (b) broker-customer relationships. In a broker-client relationship, the real estate broker is representing the client and is acting as his or her legal agent in buying, selling, or leasing property. In Georgia, a broker-client relationship can only be formed by the parties entering into a written agreement. The agreement must explain, among other things, how the broker will be paid, the duty of the broker to keep client confidences, and the types of client or agency relationships offered by the broker.

The other type of brokerage relationship is known as a broker-customer relationship. With this type of relationship, the broker is not representing the customer in a legal or agency capacity. However, the broker can still work with the customer and help him or her by performing what are known as ministerial acts. These include, for example, identifying property for sale or lease, providing pre-printed real estate form contracts, preparing real estate contracts at the direction of the customer, and locating lenders, inspectors, and closing attorneys on behalf of the customer. The different types of brokerage relationships within each of these categories are discussed below.

Broker-Client Relationships:

(a) **Seller Agency/Landlord Agency:** Seller agency occurs when the real estate broker is representing the seller in selling his or her property. This type of brokerage relationship is created by the seller and the broker entering into a written contract known as a seller brokerage engagement agreement – also sometimes known as a listing agreement. The seller brokerage engagement agreement gives the broker, commonly referred to as the seller's broker the right to market the property for sale at a specific price and for a defined period of time. If the broker is successful in finding a buyer ready, willing, and able to purchase the property, the broker would normally be paid a fee or commission upon the closing of the transaction. This fee or commission is often shared with other real estate brokers, under what are known as cooperative brokerage agreements, if they or their agents find the buyer. Seller agency is also sometimes called listing agency. Landlord agency is different from seller agency in that the Manager or listing broker is assisting the property owner in leasing and/or managing rather than selling property.

(b) **Buyer Agency/Tenant Agency:** Buyer agency occurs when the real estate broker represents the buyer in locating and assisting the buyer in negotiating for the purchase of property suitable to the buyer. A buyer agency is created when the buyer enters into an agreement commonly known as a buyer brokerage engagement agreement. A real estate broker can be compensated by one party yet represent another party. Therefore, in some buyer brokerage engagement agreements, the fee or commission received by the buyer's broker is actually a portion of the fee or commission paid by the seller to the seller's broker. In these situations, the seller also agrees that the seller's broker will share the commission or fee with any buyer's broker who finds a buyer ready, willing and able to purchase the property. With some buyer brokerage engagement agreements, the buyer pays a fee or commission directly to his or her broker. Buyer agency is sometimes referred to as buyer brokerage. Tenant agency is different from buyer agency in that the broker is representing a consumer who is seeking to lease rather than purchase property.

(c) Designated Agency: In some real estate transactions, the real estate agent representing the buyer and the real estate agent representing the seller both work for the same broker or brokerage firm. In such a transaction, the broker may allow each agent to exclusively represent their respective clients. This type of brokerage relationship is known as designated agency. In a designated agency transaction, the designated agent for the buyer owes the same duties to the buyer as if the agent was acting only as a buyer's agent. Similarly, the designated agent for the seller owes the same duties to the seller as if the agent was acting only as the seller's agent. With designated agency, each designated agent is prohibited from disclosing to anyone other than his or her broker any information requested to be kept confidential by the client unless the information is otherwise required to be disclosed by law. Therefore, designated agents may not disclose such confidential information to other agents in the company. The broker is also prohibited from revealing any confidential information he or she has received from one designated agent to the other designated agent, unless the information is otherwise required to be disclosed by law. Confidential information is defined as any information that could harm the client's negotiating position which information the client has not consented to be disclosed. In Georgia, designated agency is defined by state statute not to be dual agency.

(d) Dual Agency: Georgia law allows both parties to agree to have one agent or broker represent them in a real estate transaction at the same time. In other words, the agent or broker has a client relationship with all parties to the transaction without acting in a designated agency capacity. In these situations, neither party is exclusively represented by a designated real estate agent. This type of brokerage relationship is called "dual agency".

Georgia law allows real estate brokers to act as dual agents if they first get the written consent of both parties. The written consent must contain the following: (1) a description of the types of transactions in which the licensee will serve as a dual agent; (2) a statement that as a dual agent, the licensee represents two clients whose interests could be different or even adverse; (3) a statement that the dual agent will disclose all adverse material facts regarding the transaction known to the dual agent to all parties to the transaction except for information that is made confidential by request of another client and that is not allowed or required by law to be disclosed; (4) a statement that the licensee will disclose to each client in the transaction the nature of any material relationship the licensee or his or her broker have with other clients in the transaction other than incidental to the transaction; (5) a statement that the client does not have to consent to the dual agency; and (6) a statement that the client's consent has been given voluntarily and that the client has read and understood the brokerage engagement agreement. This special consent is required because of the potential for conflicts of interest in dual agency transactions.

(e) Subagency: Subagency occurs when one real estate broker is appointed by another real estate broker as a subagent to assist the broker in performing its duties. In a typical Subagency transaction, a seller's broker practicing Subagency might appoint the broker working with the buyer as his or her subagent. The broker acting as the subagent would work with the buyer but would represent the seller. The buyer then would be unrepresented in the transaction and both brokers (and their affiliated licensees) would be representing the seller. Subagency relationships between real estate brokers in Georgia, while once the norm, are much less common today.

Broker-Customer Relationships:

(a) Transaction Brokerage: A transaction brokerage relationship is one in which a real estate broker or brokers assists both parties in a real estate transaction but does not enter into a client relationship with, nor represents, either party. In a transaction brokerage relationship, the broker treats both parties as customers and can only perform ministerial acts for either party, including the following: (1) identifying property; (2) providing real estate statistics and information of property; (3) providing preprinted real estate form contracts; (4) acting as a scribe in the preparation of form contracts; (5) locating relevant professionals, such as architects, engineers, surveyors, inspectors, lenders, insurance agents, and attorneys; and (6) identifying facilities such as schools, shopping centers, and places of worship.

(b) Brokers May Help Parties Other Than Their Clients: Brokers who represent one party in a real estate transaction as a client can still help the other party in the transaction by performing ministerial duties for the other party (of the type described under transaction brokerage section). When a real estate broker works with a party as a customer or client, the broker may not knowingly give the party false information.

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Protect Your Family From Lead in Your Home



United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

March 2021

Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

Read this entire brochure to learn:

- How lead gets into the body
- How lead affects health
- What you can do to protect your family
- Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint or lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



Simple Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at [epa.gov/lead](https://www.epa.gov/lead).
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.

Lead Gets into the Body in Many Ways

Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



Women of childbearing age should know that lead is dangerous to a developing fetus.

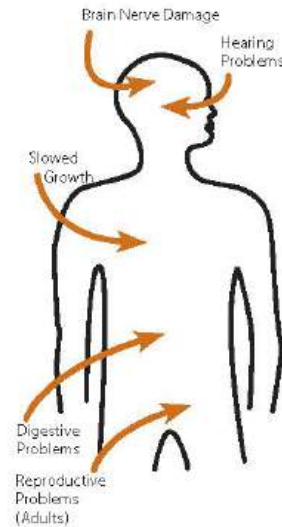
- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

Health Effects of Lead

Lead affects the body in many ways. It is important to know that even exposure to low levels of lead can severely harm children.

In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

Your doctor can explain what the test results mean and if more testing will be needed.

Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.¹

Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.²

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](https://www.epa.gov/lead).

¹ "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm²), or more than 0.5% by weight.

² "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorated lead-based paint (peeling, chipping, chalking, cracking, or damaged paint) is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

Lead-based paint is usually not a hazard if it is in good condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 10 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors
- 100 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
 - Portable x-ray fluorescence (XRF) machine
 - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
 - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
 - Sample dust near painted surfaces and sample bare soil in the yard
 - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

Checking Your Home for Lead, continued

In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit epa.gov/lead, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.³

³ Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.



Always use a certified contractor who is trained to address lead hazards safely.

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement contractor. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Reducing Lead Hazards, continued

If your home has had lead abatement work done or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 10 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors
- 100 $\mu\text{g}/\text{ft}^2$ for interior windows sills
- 400 $\mu\text{g}/\text{ft}^2$ for window troughs

Abatement is designed to permanently eliminate lead-based paint hazards. However, lead dust can be reintroduced into an abated area.

- Use a HEPA vacuum on all furniture and other items returned to the area, to reduce the potential for reintroducing lead dust.
- Regularly clean floors, window sills, troughs, and other hard surfaces with a damp cloth or sponge and a general all-purpose cleaner.

Please see page 9 for more information on steps you can take to protect your home after the abatement. For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 15 and 16), [epa.gov/lead](https://www.epa.gov/lead), or call 1-800-424-LEAD.

Renovating, Repairing or Painting a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
 - Open-flame burning or torching
 - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
 - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects, visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right*.

Other Sources of Lead

Lead in Drinking Water

The most common sources of lead in drinking water are lead pipes, faucets, and fixtures.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can't smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested.

Remember older homes with a private well can also have plumbing materials that contain lead.

Important Steps You Can Take to Reduce Lead in Drinking Water

- Use only cold water for drinking, cooking and making baby formula. Remember, boiling water does not remove lead from water.
- Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes.
- Regularly clean your faucet's screen (also known as an aerator).
- If you use a filter certified to remove lead, don't forget to read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area's water company can also provide information about the lead levels in your system's drinking water.

For more information about lead in drinking water, please contact EPA's Safe Drinking Water Hotline at 1-800-426-4791. If you have other questions about lead poisoning prevention, call 1-800 424-LEAD.*

Call your local health department or water company to find out about testing your water, or visit [epa.gov/safewater](https://www.epa.gov/safewater) for EPA's lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

13 * Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

Other Sources of Lead, continued

- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.⁴
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon**," used to treat an upset stomach.

⁴ In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products.

For More Information

The National Lead Information Center

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/lead and hud.gov/lead, or call **1-800-424-LEAD (5323)**.

EPA's Safe Drinking Water Hotline

For information about lead in drinking water, call **1-800-426-4791**, or visit epa.gov/safewater for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at cpsc.gov or saferproducts.gov.

State and Local Health and Environmental Agencies

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at epa.gov/lead, or contact the National Lead Information Center at **1-800-424-LEAD**.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
5 Post Office Square, Suite 100, OES 05-4
Boston, MA 02109-3912
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 906-6809

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103
(215) 814-2088

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
AFC Tower, 12th Floor, Air, Pesticides & Toxics
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (LL-17J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 353-3808

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-2704

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd.
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6966

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. EPA Region 9 (CMD-4-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4280

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10 (20-C04)
Air and Toxics Enforcement Section
1200 Sixth Avenue, Suite 155
Seattle, WA 98101
(206) 553-1200

Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC

4330 East West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact to Office of Lead Hazard Control and Healthy Homes for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

HUD

451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
(202) 402-7698
hud.gov/lead

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U. S. EPA Washington DC 20460
U. S. CPSC Bethesda MD 20814
U. S. HUD Washington DC 20410

EPA-747-K-12-001
March 2021

IMPORTANT!

Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).



A BRIEF GUIDE TO MOLD, MOISTURE, AND YOUR HOME

**This Guide provides
information and guidance
for homeowners and
renters on how to clean
up residential mold
problems and how to
prevent mold growth.**

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Office of Air and Radiation
Indoor Environments Division
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A BRIEF GUIDE TO MOLD, MOISTURE, AND YOUR HOME

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MOLD BASICS

- The key to mold control is moisture control.
- If mold is a problem in your home, you should clean up the mold promptly *and* fix the water problem.
- It is important to dry water-damaged areas and items within 24-48 hours to prevent mold growth.



Why is mold growing in my home?



Mold growing outdoors on firewood. Molds come in many colors; both white and black molds are shown here.

Molds are part of the natural environment. Outdoors, molds play a part in nature by breaking down dead organic matter such as fallen leaves and dead trees, but indoors, mold growth should be avoided. Molds reproduce by means of tiny spores; the spores are invisible to the naked eye and float through outdoor and indoor air. Mold may begin growing indoors when mold spores land on surfaces that are wet. There are many types of mold, and none of them will grow without water or moisture.

Can mold cause health problems?

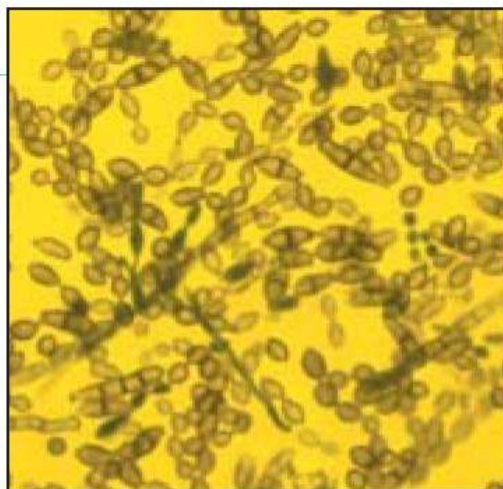
Molds are usually not a problem indoors, unless mold spores land on a wet or damp spot and begin growing. Molds have the potential to cause health problems. Molds produce allergens (substances that can cause allergic reactions), irritants, and in some cases, potentially toxic substances (mycotoxins).

Inhaling or touching mold or mold spores may cause allergic reactions in sensitive individuals. Allergic responses include hay fever-type symptoms, such as sneezing, runny nose, red eyes, and skin rash (dermatitis). Allergic reactions to mold are common. They can be immediate or delayed. Molds can also cause asthma attacks in people with asthma who are allergic to mold. In addition, mold exposure can irritate the eyes, skin, nose, throat, and lungs of both mold-

allergic and non-allergic people. Symptoms other than the allergic and irritant types are not commonly reported as a result of inhaling mold.

Research on mold and health effects is ongoing. This brochure provides a brief overview; it does not describe all potential health effects related to mold exposure. For more detailed information consult a health professional. You may also wish to consult your state or local health department.

How do I get rid of mold? It is impossible to get rid of all mold and mold spores indoors; some mold spores will be found floating through the air and in house dust. The mold spores will not grow if moisture is not present. Indoor mold growth can and should be prevented or controlled by controlling moisture indoors. If there is mold growth in your home, you must clean up the mold **and** fix the water problem. If you clean up the mold, but don't fix the water problem, then, most likely, the mold problem will come back.



Magnified mold spores.

Molds can gradually destroy the things they grow on. You can prevent damage to your home and furnishings, save money, and avoid potential health problems by controlling moisture and eliminating mold growth.

MOLD

CLEANUP



Leaky window – mold is beginning to rot the wooden frame and windowsill.

If you already have a mold problem –
ACT QUICKLY.
Mold damages what it grows on. The longer it grows, the more damage it can cause.

Who should do the cleanup? Who should do the cleanup depends on a number of factors. One consideration is the size of the mold problem. If the moldy area is less than about 10 square feet (less than roughly a 3 ft. by 3 ft. patch), in most cases, you can handle the job yourself, following the guidelines below. However:

- If there has been a lot of water damage, and/or mold growth covers more than 10 square feet, consult the U.S. Environmental Protection Agency (EPA) guide: *Mold Remediation in Schools and Commercial Buildings*. Although focused on schools and commercial

buildings, this document is applicable to other building types. It is available free by calling the EPA Indoor Air Quality Information Clearinghouse at (800) 438-4318, or on the Internet at: www.epa.gov/iaq/molds/mold_remediation.html.

- If you choose to hire a contractor (or other professional service provider) to do the cleanup, make sure the contractor has experience cleaning up mold. Check references and ask the contractor to follow the recommendations in EPA's *Mold Remediation in Schools and Commercial Buildings*, the guidelines of the American Conference of Governmental Industrial Hygienists (ACGIH), or other guidelines from professional or government organizations.
- If you suspect that the heating/ventilation/air conditioning (HVAC) system may be contaminated with mold (it is part of an identified moisture problem, for instance, or there is mold near the intake to the system), consult EPA's guide *Should You Have the Air Ducts in Your Home Cleaned?* before taking further action. Do not run the HVAC system if you know or suspect that it is contaminated with mold - it could spread mold throughout the building. Visit www.epa.gov/iaq/pubs/airduct.html, or call (800) 438-4318 for a free copy.
- If the water and/or mold damage was caused by sewage or other contaminated water, then call in a professional who has experience cleaning and fixing buildings damaged by contaminated water.
- If you have health concerns, consult a health professional before starting cleanup.

MOLD **CLEANUP** GUIDELINES

BATHROOM TIP

Places that are often or always damp can be hard to maintain completely free of mold. If there's some mold in the shower or elsewhere in the bathroom that seems to reappear, increasing the ventilation (running a fan or opening a window) and cleaning more frequently will usually prevent mold from recurring, or at least keep the mold to a minimum.



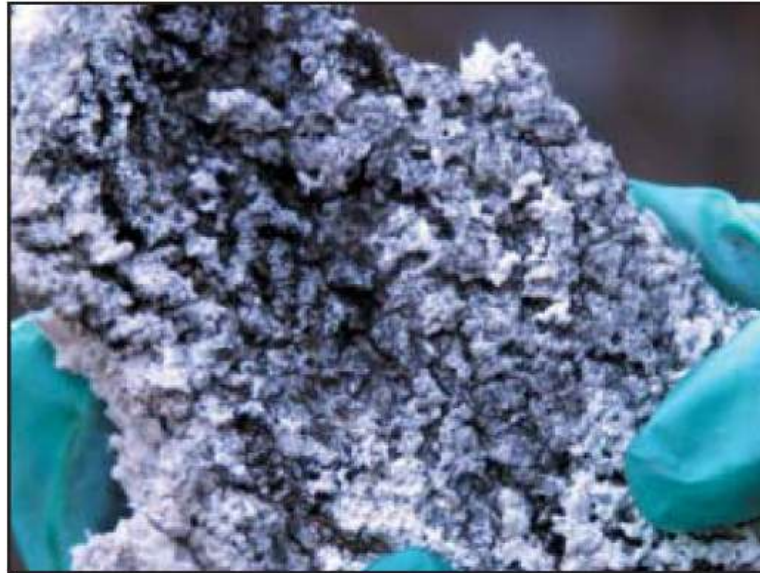
Tips and techniques The tips and techniques presented in this section will help you clean up your mold problem. Professional cleaners or remediators may use methods not covered in this publication. Please note that mold may cause staining and cosmetic damage. It may not be possible to clean an item so that its original appearance is restored.

- Fix plumbing leaks and other water problems as soon as possible. Dry all items completely.
- Scrub mold off hard surfaces with detergent and water, and dry completely.

Mold growing on the underside of a plastic lawnchair in an area where rainwater drips through and deposits organic material.



*Mold growing
on a piece of
ceiling tile.*



- Absorbent or porous materials, such as ceiling tiles and carpet, may have to be thrown away if they become moldy. Mold can grow on or fill in the empty spaces and crevices of porous materials, so the mold may be difficult or impossible to remove completely.
- Avoid exposing yourself or others to mold (see discussions: **What to Wear When Cleaning Moldy Areas** and **Hidden Mold**.)
- Do not paint or caulk moldy surfaces. Clean up the mold and dry the surfaces before painting. Paint applied over moldy surfaces is likely to peel.
- If you are unsure about how to clean an item, or if the item is expensive or of sentimental value, you may wish to consult a specialist. Specialists in furniture repair, restoration, painting, art restoration and conservation, carpet and rug cleaning, water damage, and fire or water restoration are commonly listed in phone books. Be sure to ask for and check references. Look for specialists who are affiliated with professional organizations.

WHAT TO WEAR WHEN

CLEANING MOLDY AREAS



Mold growing on a suitcase stored in a humid basement.

It is important
to take
precautions to
**LIMIT
YOUR
EXPOSURE**
to mold and
mold spores.

- **Avoid breathing in mold or mold spores.** In order to limit your exposure to airborne mold, you may want to wear an N-95 respirator, available at many hardware stores and from companies that advertise on the Internet. (They cost about \$12 to \$25.) Some N-95 respirators resemble a paper dust mask with a nozzle on the front, others are made primarily of plastic or rubber and have removable cartridges that trap most of the mold spores from entering. In order to be effective, the respirator or mask must fit properly, so carefully follow the instructions supplied with the respirator. Please note that the Occupational Safety and Health Administration (OSHA) requires that respirators fit properly (fit testing) when used in an occupational setting; consult OSHA for more information (800-321-OSHA or osha.gov/).

- **Wear gloves.** Long gloves that extend to the middle of the forearm are recommended. When working with water and a mild detergent, ordinary household rubber gloves may be used. If you are using a disinfectant, a biocide such as chlorine bleach, or a strong cleaning solution, you should select gloves made from natural rubber, neoprene, nitrile, polyurethane, or PVC (see **Cleanup and Biocides**). Avoid touching mold or moldy items with your bare hands.

- **Wear goggles.** Goggles that do not have ventilation holes are recommended. Avoid getting mold or mold spores in your eyes.



Cleaning while wearing N-95 respirator, gloves, and goggles.

How do I know when the remediation or cleanup is finished? You must have completely fixed the water or moisture problem before the cleanup or remediation can be considered finished.

- You should have completed mold removal. Visible mold and moldy odors should not be present. Please note that mold may cause staining and cosmetic damage.
- You should have revisited the site(s) shortly after cleanup and it should show no signs of water damage or mold growth.
- People should have been able to occupy or re-occupy the area without health complaints or physical symptoms.
- Ultimately, this is a judgment call; there is no easy answer. If you have concerns or questions call the EPA Indoor Air Quality Information Clearinghouse at (800) 438-4318.

MOISTURE AND MOLD **PREVENTION** AND CONTROL TIPS

MOISTURE Control is the Key to **Mold Control**



*Mold growing
on the surface
of a unit
ventilator.*

- When water leaks or spills occur indoors - **ACT QUICKLY.** If wet or damp materials or areas are dried 24-48 hours after a leak or spill happens, in most cases mold will not grow.

- Clean and repair roof gutters regularly.
- Make sure the ground slopes away from the building foundation, so that water does not enter or collect around the foundation.
- Keep air conditioning drip pans clean and the drain lines unobstructed and flowing properly.



Condensation on the inside of a windowpane.

■ Keep indoor humidity low. If possible, keep indoor humidity below 60 percent (ideally between 30 and 50 percent) relative humidity. Relative humidity can be measured with a moisture or humidity meter, a small, inexpensive (\$10-\$50) instrument available at many hardware stores.

■ If you see condensation or moisture collecting on windows, walls or pipes - ACT QUICKLY to dry the wet surface and reduce the moisture/water source. Condensation can be a sign of high humidity.

Actions that will help to reduce humidity:

- ◆ Vent appliances that produce moisture, such as clothes dryers, stoves, and kerosene heaters to the outside where possible. (Combustion appliances such as stoves and kerosene heaters produce water vapor and will increase the humidity unless vented to the outside.)
- ◆ Use air conditioners and/or de-humidifiers when needed.
- ◆ Run the bathroom fan or open the window when showering. Use exhaust fans or open windows whenever cooking, running the dishwasher or dishwashing, etc.

Actions that will help prevent condensation:

- ◆ Reduce the humidity (see preceeding page).
- ◆ Increase ventilation or air movement by opening doors and/or windows, when practical. Use fans as needed.
- ◆ Cover cold surfaces, such as cold water pipes, with insulation.
- ◆ Increase air temperature.

Mold growing on a wooden headboard in a room with high humidity.



Renters: Report all plumbing leaks and moisture problems immediately to your building owner, manager, or superintendent. In cases where persistent water problems are not addressed, you may want to contact local, state, or federal health or housing authorities.



Rust is an indicator that condensation occurs on this drainpipe. The pipe should be insulated to prevent condensation.

Testing or sampling for mold

Is sampling for mold needed? In most cases, if visible mold growth is present, sampling is unnecessary. Since no EPA or other federal limits have been set for mold or mold spores, sampling cannot be used to check a building's compliance with federal mold standards. Surface sampling may be useful to determine if an

area has been adequately cleaned or remediated. Sampling for mold should be conducted by professionals who have specific experience in designing mold sampling protocols, sampling methods, and interpreting results. Sample analysis should follow analytical methods recommended by the American Industrial Hygiene Association (AIHA), the American Conference of Governmental Industrial Hygienists (ACGIH), or other professional organizations.

HIDDEN MOLD

Mold growing on the back side of wallpaper.



Suspicion of hidden mold You may suspect hidden mold if a building smells moldy, but you cannot see the source, or if you know there has been water damage and residents are reporting health problems. Mold may be hidden in places such as the back side of dry wall, wallpaper, or paneling, the top side of ceiling tiles, the underside of carpets and pads, etc. Other possible locations of hidden mold include areas inside walls around pipes (with leaking or condensing pipes), the surface of walls behind furniture (where condensation forms), inside ductwork, and in roof materials above ceiling tiles (due to roof leaks or insufficient insulation).

Investigating hidden mold problems Investigating hidden mold problems may be difficult and will require caution when the investigation involves disturbing potential sites of mold growth. For example, removal of wallpaper can lead to a massive release of spores if there is mold growing on the underside of the paper. If you believe that you may have a hidden mold problem, consider hiring an experienced professional.

Cleanup and Biocides Biocides are substances that can destroy living organisms. The use of a chemical or biocide that kills organisms such as mold (chlorine bleach, for example) is not recommended as a routine practice during mold cleanup. There may be instances, however, when professional judgment may indicate its use (for example, when immune-compromised individuals are present). In most cases, it is not possible or desirable to sterilize an area; a background level of mold spores will remain - these spores will not grow if the moisture problem has been resolved. If you choose to use disinfectants or biocides, always ventilate the area and exhaust the air to the outdoors. Never mix chlorine bleach solution with other cleaning solutions or detergents that contain ammonia because toxic fumes could be produced.

Please note: Dead mold may still cause allergic reactions in some people, so it is not enough to simply kill the mold, it must also be removed.

*Water stain
on a basement
wall — locate
and fix the
source of the
water promptly.*



ADDITIONAL **RESOURCES**

For more information on mold related issues including mold cleanup and moisture control/condensation/humidity issues, you can call the EPA Indoor Air Quality Information Clearinghouse at

(800) 438-4318.

Or visit:

www.epa.gov/iaq/molds



Mold growing on fallen leaves.

This document is available on the Environmental Protection Agency, Indoor Environments Division website at: www.epa.gov/iaq/molds/moldguide.html



EPA 402/K-13/002 | March 2018 (revised) | www.epa.gov/radon

Home Buyer's and Seller's Guide to Radon



Indoor Air Quality (IAQ)

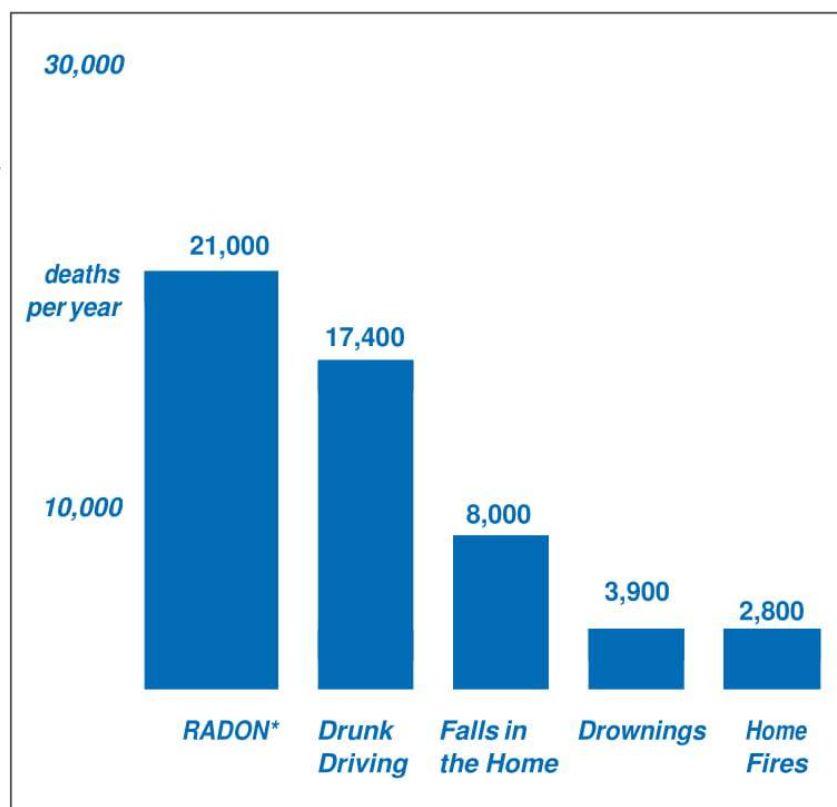
THIS FORM IS PREPARED BY THE UNITED STATES GOVERNMENT AND RE-PRINTED IN THE GEORGIA ASSOCIATION OF REALTORS® FORMS PACKAGE AS A CONVENIENCE TO ITS MEMBERS. THE GEORGIA ASSOCIATION OF REALTORS® HAS NOT INDEPENDENTLY EVALUATED OR VERIFIED THE ACCURACY OF THE INFORMATION HEREIN.

EPA RECOMMENDS:

- ☐ If you are buying or selling a home, have it tested for radon.
- ☐ For a new home, ask if radon-resistant construction features were used and if the home has been tested.
- ☐ Fix the home if the radon level is 4 picocuries per liter (pCi/L) or higher.
- ☐ Radon levels less than 4 pCi/L still pose a risk and, in many cases, may be reduced.
- ☐ Take steps to prevent device interference when conducting a radon test.



EPA estimates that radon causes thousands of cancer deaths in the U.S. each year.



**Radon is estimated to cause about 21,000 lung cancer deaths per year, according to EPA's 2003 Assessment of Risks from Radon in Homes (EPA 402-R-03-003). The numbers of deaths from other causes are taken from the Centers for Disease Control and Prevention's 2005-2006 National Center for Injury Prevention and Control Report and 2006 National Safety Council Reports.*

EPA 402/K-13/002 | March 2018 (revised)

www.epa.gov/radon

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Home Buyer's and Seller's Guide to Radon

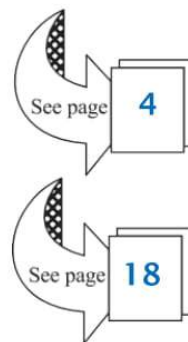
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Overview

This *Guide* answers important questions about radon and lung cancer risk. It also answers questions about testing and fixing for anyone buying or selling a home.

Radon Is a Cancer-Causing, Radioactive Gas

You cannot see, smell, or taste radon. But it still may be a problem in your home. When you breathe air containing radon, you increase your risk of getting lung cancer. In fact, the Surgeon General of the United States has warned that radon is the second leading cause of lung cancer in the United States today. *If you smoke and your home has high radon levels, your risk of lung cancer is especially high.*

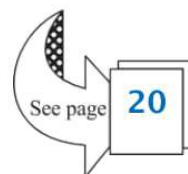


EPA Risk Assessment for Radon in Indoor Air

EPA has updated its estimate of the lung cancer risks from exposure to radon in indoor air. The Agency's updated risk assessment, *EPA Assessment of Risks from Radon in Homes* (EPA 402-R-03-003, June 2003), is available at <https://www.epa.gov/radiation/epa-assessment-risks-radon-homes> as a downloadable Adobe Acrobat PDF file. EPA's reassessment was based on the National Academy of Sciences' (NAS) report on the *Health Effects of Exposure to Radon* (BEIR VI, 1999). The Agency now estimates that there are about 21,000 annual radon-related lung cancer deaths, an estimate consistent with the NAS Report's findings.

You Should Test for Radon

Testing is the only way to find out your home's radon levels. EPA and the Surgeon General recommend testing all homes below the third floor for radon.



You Can Fix a Radon Problem

If you find that you have high radon levels, there are ways to fix a radon problem. Even very high levels can be reduced to acceptable levels.

If You Are Selling a Home...

EPA recommends that you test your home before putting it on the market and, if necessary, lower your radon levels. Save the test results and all information you have about steps that were taken to fix any problems. This could be a positive selling point.

EPA 402/K-13/002 | March 2018 (revised)

If You Are Buying a Home...

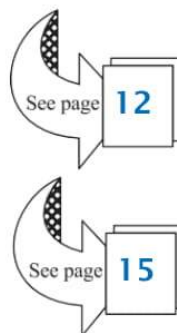
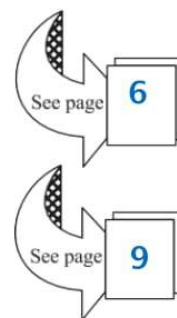
EPA recommends that you know what the indoor radon level is in any home you consider buying. Ask the seller for their radon test results. If the home has a radon-reduction system, ask the seller for any information they have about the system.

If the home has not yet been tested, you should have the house tested.

If you are having a new home built, there are features that can be incorporated into your home during construction to reduce radon levels.

The radon testing guidelines in this *Guide* have been developed specifically to deal with the time-sensitive nature of home purchases and sales, and the potential for radon device interference. These guidelines are slightly different from the guidelines in other EPA publications which provide radon testing and reduction information for *non-real estate* situations.

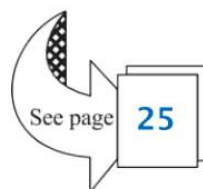
This *Guide* recommends three short-term testing options for real estate transactions. EPA also recommends testing a home in the lowest level that could be used regularly, since a buyer may choose to live in a lower area of the home than that used by the seller.



1. Why Should I Test for Radon

a. Radon Has Been Found in Homes All Over the United States

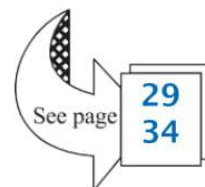
Radon is a radioactive gas that has been found in homes all over the United States. It comes from the natural breakdown of uranium in soil, rock, and water and gets into the air you breathe. Radon typically moves up through the ground to the air above and into your home through cracks and other holes in the foundation. Radon can also enter your home through well water. Your home can trap radon inside.



Any home can have a radon problem. This means new and old homes, well-sealed and drafty homes, and homes with or without basements. In fact, you and your family are most likely to get your greatest radiation exposure at home. That is where you spend most of your time.



Nearly one out of every 15 homes in the United States is estimated to have an elevated radon level (4 pCi/L or more). Elevated levels of radon gas have been found in homes in your state. Contact your state radon office for information about radon in your area.



b. EPA and the Surgeon General Recommend that You Test Your Home

Testing is the only way to know if you and your family are at risk from radon. EPA and the Surgeon General recommend testing all homes below the third floor for radon.

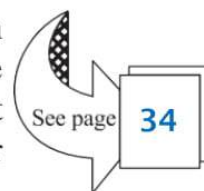
U.S. SURGEON GENERAL HEALTH ADVISORY

“Indoor radon is the second-leading cause of lung cancer in the United States and breathing it over prolonged periods can present a significant health risk to families all over the country. It’s important to know that this threat is completely preventable. Radon can be detected with a simple test and fixed through well-established venting techniques.” January 2005



You cannot predict radon levels based on state, local, and neighborhood radon measurements. Do not rely on radon test results taken in other homes in the neighborhood to estimate the radon level in your home. Homes which are next to each other can have different indoor radon levels. Testing is the only way to find out what your home’s radon level is.

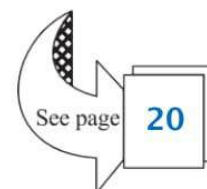
In some areas, companies may offer different types of radon service agreements. Some agreements let you pay a one-time fee that covers both testing and radon mitigation, if needed. Contact your state radon office to find out if these are available in your state.



2. I'm Selling a Home. What Should I Do?

a. If Your Home Has Already Been Tested for Radon...

If you are thinking of selling your home and you have already tested your home for radon, review the *Radon Testing Checklist* to make sure that the test was done correctly. If so, provide your test results to the buyer.



No matter what kind of test was done, a potential buyer may ask for a new test, especially if:

- G The *Radon Testing Checklist* items were not met;
- G The last test is not recent, e.g., within two years;
- G You have renovated or altered your home since you tested; or
- G The buyer plans to use a lower level of the house than was tested, such as a basement that could be used regularly by the buyer.

A buyer may also ask for a new test if your state or local government requires disclosure of radon information to buyers.

b. If Your Home Has *Not Yet* Been Tested for Radon...

Have a test taken as soon as possible. If you can, test your home before putting it on the market. You should test in the lowest level of the home that could be used regularly. This means testing in the lowest level that you currently live in or a lower level not currently used, but which a buyer might use as a family room or play area, etc.

The radon test result is important information about your home's radon level. Some states require radon measurement testers to follow a specific testing protocol. If you do the test yourself, you should carefully follow the testing protocol for your area or EPA's *Radon Testing Checklist*. If you hire a contractor to test your residence, protect yourself by hiring a **qualified*** individual or company.



You can determine a service provider's qualifications to perform radon measurements or to mitigate your home in several ways. **Check with your state radon office.** Many states require radon professionals to be licensed, certified, or registered. Most states can provide you with a list of knowledgeable radon service providers doing business in the state. In states that don't regulate radon services, **ask the contractor if they hold a professional proficiency or certification credential.** Such programs usually provide members with a photo-ID card, which indicates their qualification(s) and its expiration date. If in doubt, you should check with their credentialing organization. Alternatively, **ask the contractor if they've successfully completed formal training** appropriate for testing or mitigation, e.g., a course in radon measurement or radon mitigation.

* You should first call your state radon office for information on qualified radon service providers and state-specific radon measurement or mitigation requirements. For up-to-date information on state radon program offices, visit <http://www.epa.gov/radon/whereyoulive.html>. EPA's detailed and technical guidance on radon measurement and mitigation is included in Section 8 (p. 29); however, state requirements or guidance may be more stringent. Visit <http://www.epa.gov/radon/radontest.html> for links to private sector radon credentialing programs.

3. I'm Buying a Home. What Should I Do?



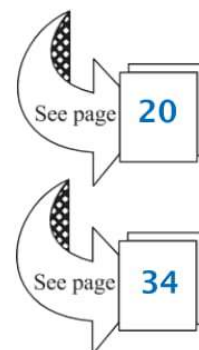
a. If the Home Has Already Been Tested for Radon...

If you are thinking of buying a home, you may decide to accept an earlier test result from the seller or ask the seller for a new test to be conducted by a qualified radon tester. Before you accept the seller's test, you should determine:

- G The results of previous testing;
- G Who conducted the previous test: the homeowner, a radon professional, or some other person;
- G Where in the home the previous test was taken, especially if you may plan to live in a lower level of the home. For example, the test may have been taken on the first floor. However, if you want to use the basement as living space, test there; and
- G What, if any, structural changes, alterations, or changes in the heating, ventilation, and air conditioning (HVAC) system have been made to the house since the test was done. Such changes might affect radon levels.

If you accept the seller's test, make sure that the test followed the *Radon Testing Checklist*.

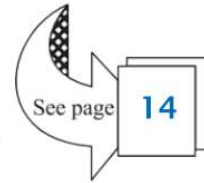
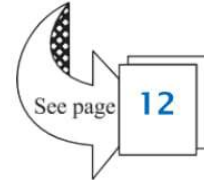
If you decide that a new test is needed, discuss it with the seller as soon as possible. If you decide to use a qualified radon tester, contact your state radon office to obtain a copy of their approved list of radon testing companies.



b. If the Home Has *Not Yet* Been Tested for Radon...

Make sure that a radon test is done as soon as possible. Consider including provisions in the contract specifying:

- ☐ Where the test will be located;
- ☐ Who should conduct the test;
- ☐ What type of test to do;
- ☐ When to do the test;
- ☐ How the seller and the buyer will share the test results and test costs (if necessary); and
- ☐ When radon mitigation measures will be taken, and who will pay for them.



Make sure that the test is done in the lowest level of the home that could be used regularly. This means the lowest level that you are going to use as living space whether it is finished or unfinished. A state or local radon official or qualified radon tester can help you make some of these decisions.

If you decide to finish or renovate an unfinished area of the home in the future, a radon test should be done before starting the project and after the project is finished. Generally, it is less expensive to install a radon-reduction system before (or during) renovations rather than afterwards.

4. I'm Buying or Building a New Home. How Can I Protect My Family?

a. Why Should I Buy a Radon-Resistant Home?

Radon-resistant techniques work. When installed properly and completely, these simple and inexpensive passive techniques can help to reduce radon levels. In addition, installing them at the time of construction makes it easier to reduce radon levels further if the passive techniques don't reduce radon levels to below 4 pCi/L. Radon-resistant techniques may also help to lower moisture levels and those of other soil gases. Radon-resistant techniques:

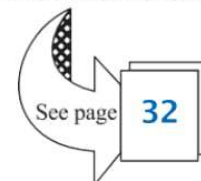
- ✓ **Make Upgrading Easy:** Even if built to be radon-resistant, **every new home should be tested for radon as soon as possible after occupancy**. If you have a test result of 4 pCi/L or more, a vent fan can easily be added to the passive system to make it an active system and further reduce radon levels.
- ✓ **Are Cost-Effective:** Building radon-resistant features into the house during construction is easier and cheaper than fixing a radon problem from scratch later. Let your builder know that radon-resistant features are easy to install using common building materials.
- ✓ **Save Money:** When installed properly and completely, radon-resistant techniques can also make your home more energy efficient and help you save on your energy costs.



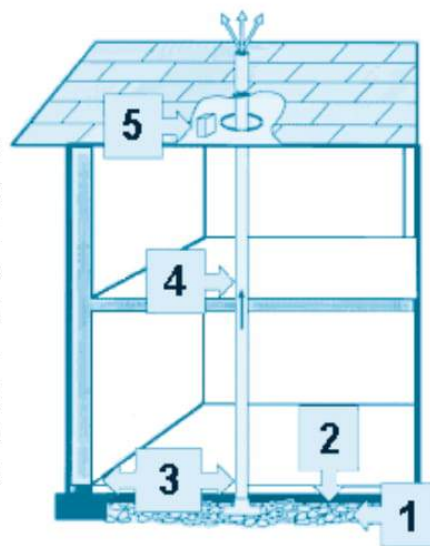
Including passive radon-resistant features in a **new home** during construction usually costs less than fixing the home later. If your radon level is 4 pCi/L or more, consult a qualified mitigator to estimate the cost of upgrading to an active system by adding a vent fan to reduce the radon level. In an **existing home**, the cost to install a radon mitigation system is about the same as for other common home repairs. Check with, and get an estimate from, one or more qualified mitigators before fixing.

b. What Are Radon-Resistant Features?

Radon-resistant techniques (features) may vary for different foundations and site requirements. If you're having a house built, ask your builder if they're using a recognized approach (International Residential Code, Appendix F, ASTM E 1465-08, and ANSI/AARST RRNC 2.0 as examples). If your new house was built (or will be built) to be radon-resistant, it will include these basic elements:



- 1. Gas-Permeable Layer:** This layer is placed beneath the slab or flooring system to allow the soil gas to move freely underneath the house. In many cases, the material used is a 4-inch layer of clean gravel. This gas-permeable layer is used only in homes with basement and slab-on-grade foundations; it is not used in homes with crawlspace foundations.
- 2. Plastic Sheeting:** Plastic sheeting is placed on top of the gas-permeable layer and under the slab to help prevent the soil gas from entering the home. In crawl spaces, the sheeting (with seams sealed) is placed directly over the crawlspace floor.
- 3. Sealing and Caulking:** All below-grade openings in the foundation and walls are sealed to reduce soil gas entry into the home.
- 4. Vent Pipe:** A 3- or 4-inch PVC pipe (or other gas-tight pipe) runs from the gas-permeable layer through the house to the roof, to safely vent radon and other soil gases to the outside.
- 5. Junction Boxes:** An electrical junction box is included in the attic to make the wiring and installation of a vent fan easier. For example, you decide to activate the passive system because your test result showed an elevated radon level (4 pCi/L or more). A separate junction box is placed in the living space to power the vent fan alarm. An alarm is installed along with the vent fan to indicate when the vent fan is not operating properly.



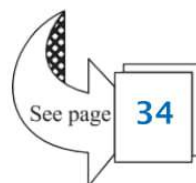
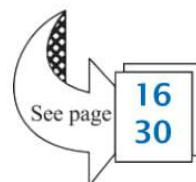
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5. How Can I Get Reliable Radon Test Results?

Radon testing is easy and the only way to find out if you have a radon problem in your home.

a. Types of Radon Devices

Since you cannot see or smell radon, special equipment is needed to detect it. When you're ready to test your home, you can order a radon test kit by mail from a qualified radon measurement services provider or laboratory. You can also hire a qualified radon tester, very often a home inspector, who will use a radon device(s) suitable to your situation. The most common types of radon testing devices are listed below. As new testing devices are developed, you may want to check with your state radon office before you test to get the most up-to-date information.



✓ *Passive Devices*

Passive radon testing devices do not need power to function. These include **charcoal canisters**, **alpha-track detectors**, **charcoal liquid scintillation devices**, and **electret ion chamber detectors**, which are available in hardware, drug, and other stores; they can also be ordered by mail or phone. These devices are exposed to the air in the home for a specified period of time and then sent to a laboratory for analysis. Both short-term and long-term passive devices are generally inexpensive. Some of these devices may have features that offer more resistance to test interference or disturbance than other passive devices. Qualified radon testers may use any of these devices to measure the home's radon level.

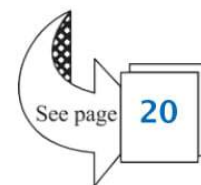
✓ **Active Devices**

Active radon testing devices require power to function. These include **continuous radon monitors** and **continuous working level monitors**. They continuously measure and record the amount of radon or its decay products in the air. Many of these devices provide a report of this information which can reveal any unusual or abnormal swings in the radon level during the test period. A qualified tester can explain this report to you. In addition, some of these devices are specifically designed to deter and detect test interference. Some technically advanced active devices offer anti-interference features. Although these tests may cost more, they may ensure a more reliable result.

b. General Information for All Devices

A state or local radon official can explain the differences between devices and recommend the ones which are most appropriate for your needs and expected testing conditions.

Make sure to use a radon measurement device from a qualified laboratory. Certain precautions should be followed to avoid interference during the test period; see the *Radon Testing Checklist* for more information on how to get a reliable test result.



Radon Test Device Placement

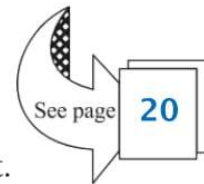
EPA recommends that the test device(s) be placed in the lowest level of the home that could be used regularly, whether it is finished or unfinished. Conduct the test in any space that could be used by the buyer as a bedroom, play area, family room, den, exercise room, or workshop. Based on their client's intended use of the space, the qualified testing professional should identify the appropriate test location and inform their client (buyer). Do **not** test in a closet, stairway, hallway, crawl space or in an enclosed area of high humidity or high air velocity. An enclosed area may include a kitchen, bathroom, laundry room or furnace room.

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c. Preventing or Detecting Test Interference

There is a potential for test interference in real estate transactions. There are several ways to prevent or detect test interference:

- ☐ Use a test device that frequently records radon or decay product levels to detect unusual swings;
- ☐ Employ a motion detector to determine whether the test device has been moved or if testing conditions have changed;
- ☐ Use a proximity detector to reveal the presence of people in the room which may correlate to possible changes in radon levels during the test;
- ☐ Record the barometric pressure to identify weather conditions which may have affected the test;
- ☐ Record the temperature to help assess whether doors and windows have been opened;
- ☐ Apply tamper-proof seals to windows to ensure closed-house conditions; and
- ☐ Have the seller/occupant sign a non-interference agreement.



Home buyers and sellers should consult a qualified radon test provider about the use of these precautions.

d. Length of Time to Test

Because radon levels tend to vary from day to day and season to season, a short-term test is less likely than a long-term test to tell you your year-round average radon level. However, if you need results quickly, a short-term test may be used to decide whether to fix the home.

There Are Two General Ways to Test Your Home for Radon:

✓ *Short-Term Testing*

The quickest way to test is with short-term tests. Short-term tests remain in your home from two to 90 days, depending on the device. There are two groups of devices which are more commonly used for short-term testing. The passive device group includes **alpha track detectors**, **charcoal canisters**, **charcoal liquid scintillation detectors**, and **electret ion chambers**. The active device group consists of different types of **continuous monitors**.

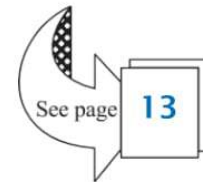
Whether you test for radon yourself or hire a qualified tester, all radon tests should be taken for a minimum of 48 hours. Some devices require a longer (minimum) length of time, e.g., a 7-day charcoal canister device.

✓ *Long-Term Testing*

Long-term tests remain in your home for more than 90 days. **Alpha track** and **electret ion chamber detectors** are commonly used for this type of testing. A long-term test result is more likely to tell you your home's year-round average radon level than a short-term test. If time permits (more than 90 days), long-term tests can be used to confirm initial short-term results. When long-term test results are 4 pCi/L or higher, EPA recommends fixing the home.

e. Doing a Short-Term Test...

If you are testing in a real estate transaction and you need results quickly, any of the following three options for short-term tests are acceptable in determining whether the home should be fixed. Any real estate test for radon should include steps to prevent or detect interference with the test device.



When Choosing a Short-Term Testing Option...

There are trade-offs among the short-term testing options. Two tests taken at the same time (simultaneous) would improve the precision of this radon test. One test followed by another test (sequential) would most likely give a better representation of the seasonal average. Both active and passive devices may have features which help to prevent test interference. Your state radon office can help you decide which option is best.

Short-Term Testing Options

What to Do Next

Passive:

Take two short-term tests at the same time in the same location for at least 48 hours.

Fix the home if the average of the two tests is 4 pCi/L or more.

or

Take an initial short-term test for at least 48 hours. Immediately upon completing the first test, do a second test using an identical device in the same location as the first test.

Fix the home if the average of the two tests is 4 pCi/L or more.

Active:

Test the home with a continuous monitor for at least 48 hours.

Fix the home if the average radon level is 4 pCi/L or more.

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f. Using Testing Devices Properly for Reliable Results

✓ *If You Do the Test Yourself*

When you are taking a short-term test, close windows and doors to the outside and keep them closed, except for normal entry and exit. If you are taking a short-term test lasting less than four days, be sure to:

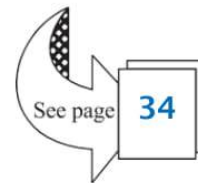


- ☐ Close your windows and outside doors at least 12 hours before beginning the test;
- ☐ Do not conduct short-term tests lasting less than four days during severe storms or periods of high winds;
- ☐ Follow the testing instructions and record the start time and date;
- ☐ Place the test device at least 20 inches above the floor in a location where it will not be disturbed and where it will be away from drafts, high heat, high humidity, and exterior walls;
- ☐ Leave the test kit in place for as long as the test instructions say; and
- ☐ Once the test is finished, record the stop time and date, reseal the package, and return it immediately to the lab specified on the package for analysis.

You should receive your test results within a few days or weeks. If you need results quickly, you should find out how long results will take and, if necessary, request expedited service.

✓ *If You Hire a Qualified Radon Tester*

In many cases, home buyers and sellers may decide to have the radon test done by a qualified radon tester who knows the proper conditions, test devices, and guidelines for obtaining a reliable radon test result. They can also:



- ☐ Evaluate the home and recommend a testing approach designed to make sure you get reliable results;
- ☐ Explain how proper conditions can be maintained during the radon test;
- ☐ Emphasize to a home's occupants that a reliable test result depends upon their cooperation. Interference with, or disturbance of, the test or closed-house conditions will invalidate the test result;
- ☐ Analyze the data and report the measurement results; and
- ☐ Provide an independent test result.

Your state radon office may also have information about qualified radon testers and certification requirements.

g. Interpreting Radon Test Results

The average indoor radon level is estimated to be about 1.3 pCi/L; roughly 0.4 pCi/L of radon is normally found in the outside air. The U.S. Congress has set a long-term goal that indoor radon levels be no more than outdoor levels. While this goal is not yet technologically achievable for all homes, radon levels in many homes *can* be reduced to 2 pCi/L or less. A radon level below 4 pCi/L still poses a risk. Consider fixing when the radon level is between 2 and 4 pCi/L.

Radon and Smoking

RADON RISK IF YOU SMOKE

Radon Level	If 1,000 people who smoked were exposed to this level over a lifetime* . . .	The risk of cancer from radon exposure compares to** . . .	WHAT TO DO: Stop Smoking and . . .
20 pCi/L	About 260 people could get lung cancer	↓ 250 times the risk of drowning	Fix your home
10 pCi/L	About 150 people could get lung cancer	↓ 200 times the risk of dying in a home fire	Fix your home
8 pCi/L	About 120 people could get lung cancer	↓ 30 times the risk of dying in a fall	Fix your home
4 pCi/L	About 62 people could get lung cancer	↓ 5 times the risk of dying in a car crash	Fix your home
2 pCi/L	About 32 people could get lung cancer	↓ 6 times the risk of dying from poison	Consider fixing between 2 and 4 pCi/L
1.3 pCi/L	About 20 people could get lung cancer	(Average indoor radon level)	(Reducing radon levels below 2 pCi/L is difficult)
0.4 pCi/L	About 3 people could get lung cancer	(Average outdoor radon level)	

Note: If you are a former smoker, your risk may be lower.

RADON RISK IF YOU HAVE NEVER SMOKED

Radon Level	If 1,000 people who never smoked were exposed to this level over a lifetime* . . .	The risk of cancer from radon exposure compares to** . . .	WHAT TO DO:
20 pCi/L	About 36 people could get lung cancer	↓ 35 times the risk of drowning	Fix your home
10 pCi/L	About 18 people could get lung cancer	↓ 20 times the risk of dying in a home fire	Fix your home
8 pCi/L	About 15 people could get lung cancer	↓ 4 times the risk of dying in a fall	Fix your home
4 pCi/L	About 7 people could get lung cancer	↓ The risk of dying in a car crash	Fix your home
2 pCi/L	About 4 people could get lung cancer	↓ The risk of dying from poison	Consider fixing between 2 and 4 pCi/L
1.3 pCi/L	About 2 people could get lung cancer	(Average indoor radon level)	(Reducing radon levels below 2 pCi/L is difficult)
0.4 pCi/L		(Average outdoor radon level)	

Note: If you are a former smoker, your risk may be higher.

*Lifetime risk of lung cancer deaths from *EPA Assessment of Risks from Radon in Homes* (EPA 402-R-03-003).

**Comparison data calculated using the Centers for Disease Control and Prevention's 1999-2001 National Center for Injury Prevention and Control Reports.

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Sometimes short-term tests are less definitive about whether the radon level in the home is at or above 4 pCi/L; particularly when the results are close to 4 pCi/L. For example, if the average of two short-term tests is 4.1 pCi/L, there is about a 50 percent chance that the year-round average is somewhat below, or above, 4 pCi/L.

However, EPA believes that any radon exposure carries some risk; no level of radon is safe. Even radon levels below 4 pCi/L pose some risk. You can reduce your risk of lung cancer by lowering your radon level.

As with other environmental pollutants, there is some uncertainty about the magnitude of radon health risks. However, we know more about radon risks than risks from most other cancer-causing substances. This is because estimates of radon risks are based on data from human studies (underground miners). Additional studies on more typical populations are under way.

Your radon measurement will give you an idea of your risk of getting lung cancer. Your chances of getting lung cancer from radon depend mostly on:

- ✓ Your home's radon level;
- ✓ The amount of time you spend in your home; and
- ✓ Whether you are a smoker or have ever smoked.

Smoking combined with radon is an especially serious health risk. If you smoke or are a former smoker, the presence of radon greatly increases your risk of lung cancer. If you stop smoking now and lower the radon level in your house, you will reduce your lung cancer risk.

Radon Testing Checklist

For reliable test results, follow this *Radon Testing Checklist* carefully. Testing for radon is not complicated. Improper testing may yield inaccurate results and require another test. Disturbing or interfering with the test device, or with **closed-house conditions***, may invalidate the test results and is illegal in some states. If the seller or qualified tester cannot confirm that all items have been completed, take another test.

✓ *Before Conducting a Radon Test:*

- ☐ Notify the occupants of the importance of proper testing conditions. Give the occupants written instructions or a copy of this *Guide* and explain the directions carefully.
- ☐ Conduct the radon test for a minimum of 48 hours; some test devices have a minimum exposure time greater than 48 hours.
- ☐ When doing a short-term test ranging from 2-4 days, it is important to maintain closed-house conditions for at least 12 hours before the beginning of the test and during the entire test period.
- ☐ When doing a short-term test ranging from 4-7 days, EPA recommends that closed-house conditions be maintained.
- ☐ If you conduct the test yourself, use a qualified radon measurement device and follow the laboratory's instructions. Your state may be able to provide you with a list of do-it-yourself test devices available from qualified laboratories.
- ☐ If you hire someone to do the test, hire only a qualified individual. Some states issue photo identification (ID) cards; ask to see it. The tester's ID number, if available, should be included or noted in the test report.



*Closed-house conditions means keeping all windows closed, keeping doors closed except for normal entry and exit, and not operating fans or other machines which bring in air from outside. Fans that are part of a radon-reduction system or small exhaust fans operating for only short periods of time may run during the test.

Radon Testing Checklist

(continued)

- ☐ The test should include method(s) to prevent or detect interference with testing conditions or with the testing device itself.
- ☐ If the house has an active radon-reduction system, make sure the vent fan is operating properly. If the fan is not operating properly, have it (or ask to have it) repaired and then test.

✓ ***During a Radon Test:***

- ☐ Maintain closed-house conditions during the entire duration of a short-term test, especially for tests shorter than one week in length.
- ☐ Operate the home's heating and cooling systems normally during the test. For tests lasting less than one week, operate only air-conditioning units which recirculate interior air.
- ☐ Do not disturb the test device at any time during the test.
- ☐ If a radon-reduction system is in place, make sure the system is working properly and will be in operation during the entire radon test.

✓ ***After a Radon Test:***

- ☐ If you conduct the test yourself, be sure to promptly return the test device to the laboratory. Be sure to complete the required information, including start and stop times, test location, etc.
- ☐ If an elevated radon level is found, fix the home. Contact a qualified radon-reduction contractor about lowering the radon level. EPA recommends that you fix the home when the radon level is 4 pCi/L or more.
- ☐ Be sure that you or the radon tester can demonstrate or provide information to ensure that the testing conditions were not violated during the testing period.

6. What Should I Do if the Radon Level is High?

a. High Radon Levels Can Be Reduced

EPA recommends that you take action to reduce your home's indoor radon levels if your radon test result is 4 pCi/L or higher. It is better to correct a radon problem before placing your home on the market because then you have more time to address a radon problem.

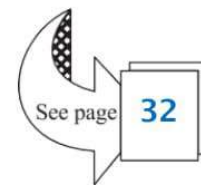
If elevated levels are found during the real estate transaction, the buyer and seller should discuss the timing and costs of radon reduction. The cost of making repairs to reduce radon levels depends on how your home was built and other factors. Most homes can be fixed for about the same cost as other common home repairs. Check with and get an estimate from one or more qualified mitigators.

b. How to Lower the Radon Level in Your Home

A variety of methods can be used to reduce radon in homes. Sealing cracks and other openings in the foundation is a basic part of most approaches to radon reduction. EPA does not recommend the use of sealing alone to limit radon entry. Sealing alone has not been shown to lower radon levels significantly or consistently.

In most cases, a system with a vent pipe(s) and fan(s) is used to reduce radon. These "sub-slab depressurization" systems do not require major changes to your home. Similar systems can also be installed in homes with crawl spaces. These systems prevent radon gas from entering the home from below the concrete floor and from outside the foundation. Radon mitigation contractors may use other methods that may also work in your home. The right system depends on the design of your home and other factors.

Techniques for reducing radon are discussed in EPA's *Consumer's Guide to Radon Reduction*. As with any other household appliance, there are costs associated with the operation of a radon-reduction system.

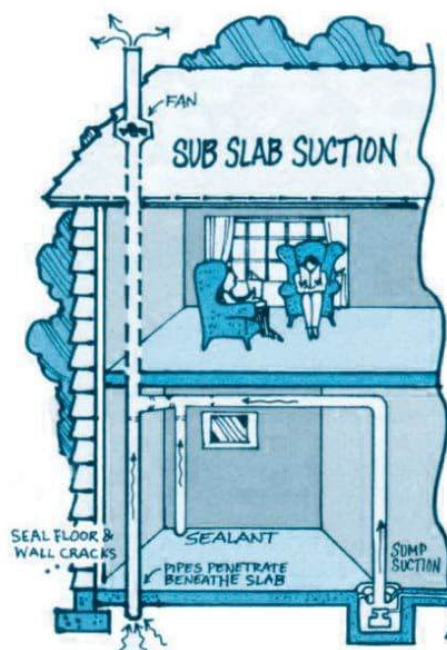


Radon and Home Renovations

If you are planning any major renovations, such as converting an unfinished basement area into living space, it is especially important to test the area before you begin.

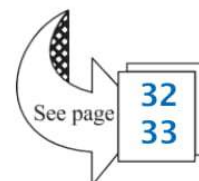
If your test results indicate an elevated radon level, radon-resistant techniques can be inexpensively included as part of the renovation. Major renovations can change the level of radon in any home. Test again after the work is completed.

You should also test your home again after it is fixed to be sure that radon levels have been reduced. If your living patterns change and you begin occupying a lower level of your home (such as a basement), you should retest your home on that level. In addition, it is a good idea to retest your home sometime in the future to be sure radon levels remain low.



c. Selecting a Radon-Reduction (Mitigation) Contractor

Select a qualified radon-reduction contractor to reduce the radon level in your home. Any mitigation measures taken or system installed in your home must conform to your state's regulations. In states without regulations covering mitigation, EPA recommends that the system conform to ASTM E 2121.



EPA recommends that the mitigation contractor review the radon measurement results before beginning any radon-reduction work. Test again after the radon mitigation work has been completed to confirm that previous elevated levels have been reduced. EPA recommends that the test be conducted by an independent, qualified radon tester.



d. What Can a Qualified Radon-Reduction Contractor Do for You?

A qualified radon-reduction (mitigation) contractor should be able to:

- ☐ Review testing guidelines and measurement results, and determine if additional measurements are needed;
- ☐ Evaluate the radon problem and provide you with a detailed, written proposal on how radon levels will be lowered;
- ☐ Design a radon-reduction system;
- ☐ Install the system according to EPA recommended standard, or state and local codes; and
- ☐ Make sure the finished system effectively reduces radon levels to acceptable levels.

Choose a radon mitigation contractor to fix your radon problem just as you would for any other home repair. You may want to get more than one estimate, and ask for and check their references. Make sure the person you hire is qualified to install a mitigation system. Some states regulate or certify radon mitigation services providers.

Be aware that a potential conflict of interest exists if the same person or firm performs the testing and installs the mitigation system. Some states may require the homeowner to sign a waiver in such cases. If the same person or firm does the testing and mitigation, make sure the testing is done in accordance with the *Radon Testing Checklist*. Contact your state radon office for more information.

e. Radon in Water

The radon in your home's indoor air can come from two sources, the soil or your water supply. Compared to radon entering your home through the water, radon entering your home through the soil is a much larger risk. If you've tested for radon in air and have elevated radon levels **and** your water comes from a private well, have your water tested. The devices and procedures for testing your home's water supply are different from those used for measuring radon in air.

The radon in your water supply poses an inhalation risk and an ingestion risk. Research has shown that your risk of lung cancer from breathing radon in air is much larger than your risk of stomach cancer from swallowing water with radon in it. Most of your risk from radon in water comes from radon released into the air when water is used for showering and other household purposes.

Radon in your home's water is not usually a problem when its source is surface water. A radon in water problem is more likely when its source is ground water, e.g., a private well or a public water supply system that uses ground water. Some public water systems treat their water to reduce radon levels before it is delivered to your home. If you are concerned that radon may be entering your home through the water and your water comes from a public water supply, contact your water supplier.

If you've tested your private well and have a radon in water problem, it can be fixed. Your home's water supply can be treated in one of two ways. **Point-of-entry** treatment can effectively remove radon from the water before it enters your home. Point-of-entry treatment usually employs either granular activated carbon (GAC) filters or aeration devices. While GAC filters usually cost less than aeration devices, filters can collect radioactivity and may require a special method of disposal. **Point-of-use** treatment devices remove radon from your water at the tap, but only treat a small portion of the water you use, e.g., the water you drink. Point-of-use devices are not effective in reducing the risk from breathing radon released into the air from all water used in the home.

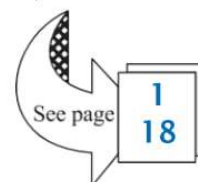
For information on radon in water, testing and treatment, and existing or planned radon in drinking water standards, visit <https://archive.epa.gov/water/archive/web/html/index-9.html>, an EPA web site. If your water comes from a private well, you can also contact your state radon office.



7. Radon Myths and Facts

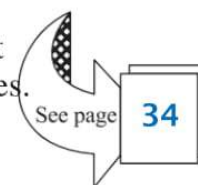
MYTH #1: Scientists are not sure that radon really is a problem.

FACT: Although some scientists dispute the precise number of deaths due to radon, all the major health organizations (like the Centers for Disease Control, the American Lung Association, and the American Medical Association) agree with estimates that radon causes thousands of preventable lung cancer deaths every year. This is especially true among smokers, since the risk to smokers is much greater than to non-smokers.



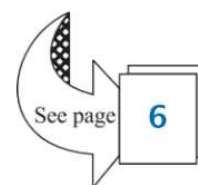
MYTH #2: Radon testing devices are not reliable and are difficult to find.

FACT: Reliable radon tests are available from qualified radon testers and companies. Active radon devices can continuously gather and periodically record radon levels to reveal any unusual swings in the radon level during the test. Reliable testing devices are also available by phone or mail-order, and can be purchased in hardware stores and other retail outlets. Contact your state radon office for a list of qualified radon test companies.



MYTH #3: Radon testing is difficult and time-consuming.

FACT: Radon testing is easy. You can test your home yourself or hire a qualified radon test company. Either approach takes only a small amount of time and effort.



MYTH #4: Homes with radon problems cannot be fixed.

FACT: There are solutions to radon problems in homes. Thousands of home owners have already lowered their radon levels. Most homes can be fixed for about the same cost as other common home repairs. Contact your state radon office for a list of qualified mitigation contractors.

MYTH #5: Radon only affects certain types of homes.

FACT: Radon can be a problem in all types of homes, including old homes, new homes, drafty homes, insulated homes, homes with basements, and homes without basements. Local geology, construction materials, and how the home was built are among the factors that can affect radon levels in homes.

MYTH #6: Radon is only a problem in certain parts of the country.

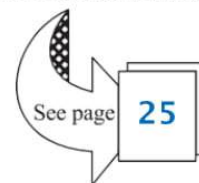
FACT: High radon levels have been found in every state. Radon problems do vary from area to area, but the only way to know a home's radon level is to test.

MYTH #7: A neighbor's test result is a good indication of whether your home has a radon problem.

FACT: It is not. Radon levels vary from home to home. The only way to know if your home has a radon problem is to test it.

MYTH #8: Everyone should test their water for radon.

FACT: While radon gets into some homes through the water, it is important to first test the air in the home for radon. If your water comes from a public water system that uses ground water, call your water supplier. If high radon levels are found and the home has a private well, call the Safe Drinking Water Hotline at (800) 426-4791 for information on testing your water. Also, call your state radon office for more information about radon in air.



MYTH #9: It is difficult to sell a home where radon problems have been discovered.

FACT: Where radon problems have been fixed, home sales have not been blocked. The added protection will be a good selling point.

MYTH #10: I have lived in my home for so long, it does not make sense to take action now.

FACT: You will reduce your risk of lung cancer when you reduce radon levels, even if you have lived with an elevated radon level for a long time.

MYTH #11: Short-term tests cannot be used for making a decision about whether to reduce the home's high radon levels.

FACT: Short-term tests can be used to decide whether to reduce the home's high radon levels. However, the closer the short-term testing result is to 4 pCi/L, the less certainty there is about whether the home's year-round average is above or below that level. Keep in mind that radon levels below 4 pCi/L still pose some risk and that radon levels can be reduced to 2 pCi/L or below in most homes.

8. Need More Information about Radon?

If you have a radon-related question, you should contact your state radon office. The following web sites, hotlines, and publications are your best sources of information. Visit our Frequent Questions web site at <https://iaq.zendesk.com/hc/en-us/sections/202370518-Indoor-Air-Quality>. You can also find indoor air quality information and publications on EPA's many web sites.

a. World Wide Web Sites (EPA)

These are EPA's most important web sites for information on radon and indoor air quality in homes. All the EPA publications listed in this section are available on EPA's web sites.

- ☐ <https://www.epa.gov/radon/>. EPA's main radon page. Includes links to the NAS radon report, radon-resistant new construction, the map of radon zones, radon publications, hotlines, and more.
- ☐ <https://www.epa.gov/radon/find-information-about-local-radon-zones-and-state-contact-information>. Provides detailed information on contacting your state's radon office, including links to some state web sites. State indoor air quality contacts are also included.
- ☐ <https://www.epa.gov/radon/publications-about-radon>. Offers the full text version of EPA's most popular radon publications, including the *Home Buyer's and Seller's Guide to Radon*, the *Consumer's Guide to Radon Reduction*, and the
 - *Model Standards and Techniques for Control of Radon in New Residential Buildings*, and others.
- ☐ <https://www.epa.gov/iaq>. EPA's main page on indoor air quality. Includes information on indoor risk factors, e.g., asthma, secondhand smoke, carbon monoxide, duct cleaning, ozone generating devices, indoor air cleaners, flood
 - cleanup, etc.
- ☐ <https://archive.epa.gov/water/archive/web/html/index-9.html>. EPA's main page on radon in water. Includes information on statutory requirements and links to the drinking water standards program.

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b. Radon Hotlines (Toll-Free)

EPA supports the following hotlines to best serve consumers with radon-related questions and concerns.



-  **1-800-SOS-RADON (767-7236).*** Purchase radon test kits by phone.
-  **1-800-55RADON (557-2366).*** Get live help for your radon questions.
-  **1-800-644-6999.*** Radon Fix-It Hotline. For general information on fixing or reducing the radon level in your home.
-  **1-866-528-3187.*** Línea Directa de Información sobre Radón en Español. Hay operadores disponibles desde las 9:00 AM hasta las 5:00 PM para darle información sobre radón y como ordenar un kit para hacer la prueba de radón en su hogar.
-  **1-800-426-4791.** Safe Drinking Water Hotline. For general information on drinking water, radon in water, testing and treatment, and standards for radon in drinking water. Operated under a contract with EPA.

*Operated by Kansas State University in partnership with EPA.

State Radon Offices

9.

<https://www.epa.gov/radon/find-information-about-local-radon-zones-and-state-contact-information>

Up-to-date information on how to contact your state radon office is available on the web (above). You will also find a list of state hotlines, state indoor air coordinators, and state web sites (if available). Some states can also provide you with a list of qualified radon services providers. Native Americans living on Tribal Lands should contact their Tribal Health Department or Housing Authority for assistance.

10.

EPA Regional Offices

(<https://www.epa.gov/radon/find-information-about-local-radon-zones-and-state-contact-information>)

E

REGION	STATES	PHONE / FAX
US EPA New England/ Region 1 One Congress Street, Suite 1100 John F. Kennedy Federal Bldg. Boston, MA 02114-2023	CT, MA, ME, NH, RI, VT	617-918-1630 617-918-4940-fax
US EPA/ Region 2 290 Broadway, 28th Floor New York, NY 10007-1866	NJ, NY, PR, VI	212-637-3745 212-637-4942-fax
US EPA/ Region 3 1650 Arch Street Philadelphia, PA 19103	DC, DE, MD, PA, VA, WV	800-438-2474 Toll-free 215-814-2086 215-814-2101-fax
US EPA/ Region 4 61 Forsyth Street, SW Atlanta, GA 30303-3104	AL, FL, GA, KY, MS, NC, SC, TN	404-562-9145 404-562-9095-fax
US EPA/ Region 5 77 West Jackson Blvd., (AE-17J) Chicago, IL 60604	IL, IN, MI, MN, OH, WI	312-353-6686 312-886-0617-fax
US EPA/ Region 6 1445 Ross Avenue (6PD-T) Dallas, TX 75202-2733	AR, LA, NM, OK, TX	800-887-6063 Toll-free 214-665-7550 214-665-6762-fax
US EPA/ Region 7 901 North 5 th Street (ARTD / RALI) Kansas City, KS 66101	IA, KS, MO, NE	913-551-7260 913-551-7065-fax
US EPA/ Region 8 999 18th Street, Suite 500 (8P-AR) Denver, CO 80202-2466	CO, MT, ND, SD, UT, WY	800-227-8917 Toll-free 303-312-6031 303-312-6044-fax
US EPA/ Region 9 75 Hawthorne Street (Air-6) San Francisco, CA 94105	AZ, CA, HI, NV, GUAM	415-744-1046 415-744-1073-fax
US EPA/ Region 10 1200 Sixth Avenue (OAQ-107) Seattle, WA 98101	AK, ID, OR, WA	206-553-7299 206-553-0110-fax

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U.S. SURGEON GENERAL HEALTH ADVISORY

“Indoor radon is the second-leading cause of lung cancer in the United States and breathing it over prolonged periods can present a significant health risk to families all over the country. It’s important to know that this threat is completely preventable. Radon can be detected with a simple test and fixed through well-established venting techniques.” January 2005

Consumers need to know about the health of a house they are considering purchasing, including whether there is a radon problem, and if so, how to fix it. The *Home Buyer’s and Seller’s Guide to Radon* provides practical consumer information that every home buyer needs to know.



Consumer Federation of America Foundation



American Society of Home Inspectors



ENVIRONMENTAL
LAW • INSTITUTE



**National
Safety
Council**



United States
Environmental Protection
Agency

Indoor Environments Division (6609J)
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using vegetable-based ink.

Indoor Air Quality (IAQ)

Protect Yourself When Buying Real Property

Suggestions for the Prospective Buyer

2024 Printing

This brochure was prepared courtesy of the Georgia Association of REALTORS® to help buyers with the process of purchasing real property. The recommendations herein are general in nature and are not intended to be exhaustive. Some of the recommendations may not apply to specific properties. Buyers are encouraged to consult with experts and professionals of their own choosing to ensure that they are protected in buying real property.

There are few things in life as exciting as buying a property. However, since purchasing real estate is one of the most expensive purchases many of us will ever make, buyers should take reasonable steps to protect themselves in the property buying process. This brochure contains some general suggestions on how buyers can do this.

Read and keep a copy of any signed contract. A purchase and sale agreement is a legally binding contract. It should be read in its entirety by the buyer before it is signed to ensure that it reflects the business agreement of the parties. Verbal promises not included in the contract are generally unenforceable. Buyers should comply with all time deadlines in a contract since missing a deadline can leave the buyer in breach of contract. Getting an early start on arranging such things as inspections and financing is the best way for buyers to avoid missing deadlines. The buyer should also keep a complete copy of any contract that he or she has signed in the event a dispute arises regarding the authenticity of the contract.

Have the property inspected by a professional property inspector. Property inspectors help buyers evaluate the condition of the property based upon one or more visual inspections of the property. Most properties have at least a few items that will need to be repaired and/or replaced. A professional property inspector can assist in identifying these items by performing an inspection of the property. Requests for repairs are normally received more favorably by sellers when the need for the repairs has been documented in the report of a professional property inspector. Many property inspectors are members of professional associations that, among other things, require their members to perform a standardized inspection of the property. Buyers are encouraged to ask inspectors about their qualifications and expertise in inspecting properties before selecting an inspector.

Thoroughly investigate the property. Sellers are required to disclose known latent defects in a property. Latent defects are those that a buyer could not discover as the result of a reasonable inspection. Before completing the purchase, buyers should use reasonable diligence to investigate the property. In addition to a professional property inspection, buyers should also check for issues of personal concern. Examples include, but are not limited to, floor condition when covered by area rugs, water staining under plants, missing window screens, and any area made physically or visually inaccessible by the seller.

There are many other tests and studies buyers can do in deciding whether to purchase a property. These include, for example, a radon test to determine if the property has elevated levels of radon, mold tests to determine if the property has high levels of certain kinds of dangerous mold, well water condition and capacity tests when the property is served by well water and septic systems inspections when the property is served by a septic system.

Properties should also be tested for lead-based paint. Normally, this is only an issue in properties built prior to 1978 (since after this time lead-based paint sales were prohibited). Ingestion of lead-based paint chips or particles can cause lead poisoning, a serious health condition, particularly in children. Buyers of an older home should read the EPA brochure entitled "Protect Your Family from Lead in Your Home". Renovators of an older home should read the EPA's Renovate Right brochure and other related materials.

Websites exist that identify certain (but not necessarily all) properties which have been used to manufacture methamphetamine and/or certain other illegal substances. Websites also exist to help identify if a registered sex offender resides in the neighborhood.

Repairs to a property can range from simple cosmetic fixes to repairs done as the result of substantial damage. Some repairs require, and some do not require, a permit from the governmental jurisdiction in which the property is located. Major systems replacement, certain renovations, and/or structural additions to the main dwelling require a permit in Georgia. Permits are issued to ensure public safety and are sometimes completed with the issuing of a certificate of occupancy ("CO") or other documentation showing that the responsible governmental entity has inspected and approved the work. Specific information about permitting requirements for the property you are considering buying may be found online at <https://dca.ga.gov>.

Many factors can affect the value of a property and the ability of an owner to use and enjoy it. These include, for example, the school district in which the property is located, whether the property is subject to flooding, the availability and cost of property insurance, whether the property is subject to recorded covenants and the nature of those covenants, quality of repairs and renovations, permitting issuance, the governmental jurisdiction in which the property is located and whether the property is on an historic registry or in a special tax or zoning district.

Sellers are required to disclose known latent defects in a property; but as a buyer, before completing the purchase of a property, you are encouraged to use reasonable diligence to investigate the property you are buying for issues of special concern to you.

If you are unable to view the property in person prior to your decision to purchase, you are encouraged to have another person (other than your REALTOR®) tour the property for you and attend subsequent inspections. Photos and videos are useful means of viewing a property, but typically will not convey the nuances traditionally associated with a property purchase decision. Because the decision to purchase a property can be highly subjective, the person you choose should be someone who is familiar with you and understands your needs.

Inspect the neighborhood in which the property is located. The neighborhood in which the property is located can be as important as the property itself. Buyers should familiarize themselves with the neighborhood in which the property they are considering buying is located to determine if there are any objectionable conditions nearby. If buyers go far enough away from any property, they will eventually discover some neighborhood condition that they wish were not there. What those conditions are and how far away they need to be from a house before they are no longer a concern is a decision that only the buyer can make. For example, a nearby grocery store may be a convenience for some buyers and a disruptive commercial use for others. Buyers can also contact local governmental planning officials to determine what changes, if any, are anticipated in a neighborhood over time.

Have the property inspected for termites and other wood destroying organisms and obtain an Official Georgia Wood Infestation Inspection Report that can only be prepared by a licensed pest control company. Buyers should have the property they are buying inspected by a licensed Georgia pest control company for evidence of termites and other wood destroying organisms (including powder post beetles, wood boring beetles, dry wood termites and wood decay fungi). In cases where a visual inspection of the entire property is not possible due to visual obstruction, such as, but not limited to, spray-foam and/or roll insulation, floor and walling coverings, and encapsulated spaces, the buyer should consult with a licensed pest control company about preventative treatment measures which may help prevent wood infestation and property damage.

The inspection should be done even if the property has a transferable termite warranty since these warranties normally contain exclusions. As a result, buyers can understand risks they may be assuming in this area by having an inspection performed. Obtaining an Official Georgia Wood Infestation Inspection Report will identify the areas in the house where there is evidence of both active and previous infestation from termites and other wood destroying organisms. Buyers should also review any termite warranty being transferred by the seller to determine what is covered and the cost of maintaining the warranty. Some termite warranties cover both retreatment and repair while others are limited only to re-treatment.

Get a survey of the property. Buyers are encouraged to get surveys of the properties they are considering buying so that they know where the exact boundary lines of the properties are located. Buyers should request that the survey identify the location of any easements of record, whether there are encroachments onto or off of the property and whether the property is in a flood plain. Surveys are not normally done in the sale of condominium units. However, a buyer can review the condominium plat to see the location of the property that is a part of the condominium.

Make sure that an undeveloped lot can be developed. In most parts of Georgia, lots cannot be developed for residential purposes unless they are properly zoned, have access to a public road and are served by water and sewer. If there is no ability to connect the lot to a public sewer, the buyer should verify that the lot can accommodate a septic system. This is done by having a licensed engineer perform a percolation test and evaluate whether the lot is sufficiently large for a septic tank and field to be installed. Similarly, if the lot is serviced by a well or private water system, the buyer should arrange to have the water tested to confirm that it is safe for drinking. Meeting with the local governmental department which issues building permits is a great way to get information about whether and how a vacant lot can be developed.

Buy an Owner's Title Insurance Policy. An owner's title insurance policy protects the buyer if a pre-existing title problem is discovered after the closing. Normally, a title insurance policy is purchased and issued at the closing by the closing attorney. A title problem can be as simple as a neighbor claiming to own a small portion of your property based upon a disputed fence line. However, it can also be a serious problem, such as a forged deed, where you could lose the title to your property. Mortgage lenders require the buyer to pay for title insurance covering the lender's interest in the property. However, in a world where there is an increasing amount of identity theft and the forging of documents, title insurance covering the owner is also recommended. There are different types of title insurance policies offered in Georgia. The most comprehensive are sometimes referred to as "enhanced title policies" and in some cases they protect buyers from title claims arising even after the closing date. Since the premium for title insurance is paid only once, it is recommended that buyers obtain the comprehensive policy.

Consider Purchasing a Home Warranty. Georgia law does not require the seller of either a new or existing home to provide the buyer with a home warranty. If the seller is not offering a warranty, buyers can purchase a limited warranty on both new and existing homes as a part of the purchase of the home. Buyers should review the terms of any warranty that is offered or purchased to understand what it covers and excludes and how to file a claim.

Beware of Cyber Fraud. Fraudulent e-mails attempting to get you to wire money to criminal computer hackers are increasingly common in real estate transactions. Under this scam, computer hackers fraudulently assume the online identity of the actual mortgage lender, closing attorney, and/or real estate broker with whom you are working in the real estate transaction. Posing as a legitimate company, they then direct you to wire money to them. In many cases, the fraudulent e-mail is sent from what appears to be the authentic webpage of the legitimate company responsible for sending the wiring instructions.

You should use great caution in sending or receiving funds based solely on wiring instructions sent to you by e-mail. Independently verifying the wiring instructions with someone from the company sending them is the best way to prevent fraud. In particular, you should treat as highly suspect any follow up e-mails you receive from a mortgage lender, closing attorney, and/or real estate broker directing you to wire funds to a revised account number. Never verify wiring instructions by calling a telephone number provided along with a second set of wiring instructions since you may end up receiving a fraudulent verification from the computer hackers trying to steal your money. Independently look up the telephone number of the company who is supposed to be sending you the wiring instructions to make sure you have the right one.

Be Careful to Avoid Needless Expenses. Some companies who can appear to the untrained eye to be conducting official government business also charge fees to obtain a recorded or certified copy of the deed. This is an unnecessary expense since the closing attorney normally provides a recorded copy of the deed to the buyer as part of the closing. However, it can take up to a month or two for the closing attorney to get the recorded deed back from the courthouse.

Assume the property you are viewing has audio/video surveillance devices in operation. Surveillance technology has advanced to the point where it cannot be seen and more properties have it than ever before. This means that when buyers tour a property they should act and speak in a manner which reflects that they are being recorded. Conversations should be kept to a minimum and should be of a nature which does not harm the buyer's negotiating position. The property is not the place to discuss the terms of the offer the buyer is considering. Buyers should not do or say anything that could jeopardize the buyer's negotiating position or alienate the seller.

Smart Home Technologies. Smart home technology allows for the monitoring, use, control and automation of HVAC thermostats, lighting, video camera, and more. When considering a home with smart devices, you should evaluate or hire a home automation specialist to evaluate the age, functionality, compatibility, cost to operate (including any subscription fees), privacy and security of smart home technologies. While there may be operating costs with such technologies, there may also be offsetting benefits such as energy savings or potential insurance discounts. After closing, consider resetting smart home devices, changing passwords, adding multi-factor authentication and updating firmware to protect your privacy and enhance your security.

Test Your Drinking Water for Lead. Buyers should test their drinking water to confirm that it does not contain unhealthy levels of lead. Water service lines are sometimes constructed of lead or include lead solder which can leach into the water. Lead is a toxic metal, a strong poison and a serious health hazard, particularly for children. If buyers determine during a due diligence period that there are unhealthy levels of lead in the drinking water, buyers may negotiate for the replacement of water service lines which contain lead.

Choose a REALTOR®. Not all licensed real estate salespersons (or brokers) are REALTORS®. REALTORS® agree to abide by a Code of Ethics in their dealings with buyers and sellers. REALTORS® are members of the National Association of REALTORS® and participate in a local Board of REALTORS®. REALTORS® typically have valuable knowledge regarding the price at which other properties in a neighborhood sold, how to negotiate various terms in a purchase and sale agreement and the features of different properties. REALTORS® can also provide buyers with and help them fill out a pre-printed purchase and sale agreement form. REALTORS® routinely work with and, upon request, can provide buyers with the names of attorneys, mortgage lenders, property inspectors, termite companies and persons providing other services relating to real estate transactions. Therefore, when buyers need help in finding the right property, they should always choose a REALTOR® first!

What to Consider When Buying Real Property in a Community Association

This brochure was prepared courtesy of the Georgia Association of REALTORS® to help buyers with the buying process in a community association. The recommendations herein are general in nature and are not intended to be exhaustive. Some of the recommendations may not apply to specific properties. Buyers are encouraged to consult with experts and professionals of their own choosing to ensure that they are protected when buying property in a community association.

Many properties are located in a community where the buyer, as part of purchasing the property, becomes a mandatory member of a Homeowners Association ("HOA"). This brochure will help educate buyers on some of the more important issues to consider when buying a property in this type of community.

What is a HOA? A HOA is usually a non-profit corporation the members of which are the owners of lots in the community. It is normally established by the developer of a subdivision to: (1) own, maintain and operate certain common properties within the community (such as a pool and other recreational amenities, entrance features and common landscaping); (2) enforce covenants designed to protect property values and preserve community standards; and (3) collect assessments to fund the obligations of the HOA. The legal document in which the covenants are contained is typically referred to as a Declaration of Covenants, Conditions and Restrictions ("Declaration" or "CC&Rs"). The HOA is also required to have Bylaws in which the procedures for operating the HOA are described and an Articles of Incorporation which creates the HOA. In addition to covenants, members of a HOA are also typically required to comply with rules and regulations that are normally adopted by the Board of Directors and deal with specific issues within the community such as the use of the swimming pool. Most decisions in a HOA are made by its Board of Directors which is the governing body of the HOA. However, certain important decisions, such as amending the Declaration are usually reserved to the members. Most communities only have one HOA. However, some communities, particularly large master planned communities, will often have both master and sub-associations.

Some HOAs have chosen to be regulated as a Property Owners' Association ("POA") under the Georgia Property Owners' Association Act O.C.G.A. § 44-3-220. Being in a community that is subject to a POA generally means that the association has stronger legal powers to enforce the protective covenants (including the obligation to pay assessments) against violators and that amendments to the community's legal documents are enforceable against all owners upon a vote of at least 2/3s of the total association vote.

How can a Buyer Determine if the HOA is Well Run?

There are a variety of ways to determine whether the HOA is well run and a community is one in which a buyer would want to live. These include the number of owners who are delinquent in paying their assessments to the HOA, whether the HOA has sufficient capital reserves, the frequency of special assessments, the amount and type of litigation between the HOA and its members and the general appearance of the community. Buyers are also encouraged to talk with other owners in any community with a HOA regarding their experiences and review at least some of the financial and corporate records of the HOA to learn more about the community. In particular, reviewing the minutes of the meetings of the Board of Directors for the last year or two can be quite revealing as to the collegiality and professionalism of the leadership of the HOA and the types of issues facing the community. Since these records can often only be obtained by a present member of the HOA, buyers may have to get their sellers to obtain these records for them.

Are there Special Costs or Fees Typically Paid by Buyers in a Community with a HOA?

Yes. Some fees typically charged by HOA's to new owners include the following: a capital reserve contribution, an initiation fee, a transfer fee and/or a property management account establishment fee. There are not set rules on the type, amount or even the name of the fees charged to new owners by the HOA. Buyers should ask the HOA property manager, the seller or Declarant (if the community is still Declarant controlled) for confirmation of the fees a new buyer will be obligated to pay. Owners also typically pay ongoing assessments to the HOA. These are usually paid monthly, quarterly or annually. If the HOA has insufficient funds, the HOA also typically has the right to levy a special assessment. If an owner fails to pay his or her assessments a lien can be filed against the owner's lot and the owner's right to use the common areas can usually be suspended.

What Kinds of Use Restrictions Typically Exist in a Community with a HOA? The covenants contained in a typical Declaration can be wide-ranging. The covenants normally establish maintenance standards for lots and regulate things like parking, pets, architectural changes to the exterior of buildings, leasing, how many people can occupy a dwelling and whether a property can be used for non-residential purposes. The covenants contained in the Declaration can be as broad or as narrow as the Declarant chooses to make them in causing the initial Declaration to be drafted. Buyers are encouraged to carefully review the Declaration during any due diligence period to confirm that the lifestyle reflected in the covenants is one with which they are going to be comfortable.

How Do I Know What Property is Part of the HOA and Whether the HOA can be Expanded? The Declaration should include a legal description of the property that is subject to the Declaration. Just because the community may appear to be large physically does not necessarily mean that all of that property within the community is a part of the HOA. Again, the legal description of the property submitted to the Declaration that is the key. Any right to expand the community is normally contained in the Declaration. Of course, just because the community can be expanded does not mean that it will be expanded. Sometimes, property that can be added as a future phase to the community is not ultimately made a part of the community or is developed for a completely different use. There is also usually no guarantee that properties built in other parts of the community or in a future phase will be the same size, architectural style, housing type or even in the same price range as houses built in earlier phases.

Does the Developer Get to Control the HOA? When lots are being developed and sold, the developer or “Declarant” of a HOA normally controls the Association by having the right to appoint and remove its directors and officers. This period of Declarant control can last for years and its duration is set forth in the Declaration. When most or all of the lots have been sold, the Declarant normally loses this right to appoint and remove the officers and directors of the HOA Board of Directors and the owners thereafter elect a member controlled Board of Directors. This event is often referred to as the turnover of the Association.

Are the Covenants in the Declaration Enforceable? As a general rule, the covenants in the Declaration, even those pertaining to restrictions on the use of lots, are enforceable. The Declaration is in the nature of a private contract between all property owners that is recorded in the land records and the nature of these private restrictions often go well beyond the type of regulations adopted by local governments. In a HOA, the idea that a person’s home is his castle gives way to the concept that all owners give up certain rights to enjoy the benefits of living in a community with a HOA. As a matter of Georgia law, owners are on constructive notice of and bound by the recorded Declaration whether or not they have actually read it. This is why it is important for buyers to confirm during any due diligence period that there is nothing objectionable in the Declaration.

How Do I Tell Whether I am Buying into a Community with a HOA or a Condominium Association? Most detached single family home communities are organized as HOAs. Townhomes can either be organized as a HOA or a condominium. Most midrise and high-rise residential buildings are condominiums. Reviewing the legal documents for the community is the best way to tell whether it is a condominium or a HOA. If the community is a condominium, the Declaration is required to include the word “Condominium”. Therefore, a Declaration of Covenants, Conditions and Restrictions would normally refer to a HOA while a Declaration of Condominium would refer to a condominium. State law also requires that the name of the condominium association include the words “condominium association” or “unit owners’ association”. Therefore, if the name of the association in the Bylaws includes the words “homeowners’ association”, it is not normally a condominium. However, if it includes the words “condominium association” or “unit owner’s association”, it is normally a condominium.

How Do I Find Out if the Seller Owes Any Money to the HOA? Most HOAs will file a lien against any lot where the owner has not paid the monies owed to the HOA. Other HOA’s have automatic lien rights where no lien needs to be filed in the land records office. A title search and assessment “clearance letter” from the association should reveal whether (and what monies, if any) are owed to the HOA. These are normally obtained by the attorney handling the closing. In many cases, the HOA will charge a fee for issuing the clearance letter.

A Final Word Concerning HOAs. The HOA lifestyle offers owners many benefits. Recreational amenities are often available that few owners could otherwise afford. Covenants tend to ensure a uniformity of exterior appearance in the community and prevent behaviors that are inconsistent with community standards. While this lifestyle is wonderful for most buyers, it is not for everyone. Reading the Declaration is the best way for buyers to decide whether they will be comfortable with the nature and scope of the regulations to which they will be subject.

What to Consider When Buying a Home in a Condominium

This brochure was prepared courtesy of the Georgia Association of REALTORS® to help buyers with the condominium home buying process. The recommendations herein are general in nature and are not intended to be exhaustive. Some of the recommendations may not apply to specific properties. Buyers are encouraged to consult with experts and professionals of their own choosing to ensure that they are protected in buying a home in a condominium.

Condominium living is a great lifestyle choice for many buyers. Exterior maintenance is normally performed by the condominium association allowing owners the freedom to focus on other pursuits. Since owners can leave their homes for extended periods of time, condominiums are often referred to as “lock and leave” homes. Condominiums also typically offer recreational amenities not found in many single family homes and the opportunity for a built-in community of other owners. Many condominiums are located in high density residential areas where residents can enjoy a more “walkable” lifestyle. This brochure will answer some of the more commonly asked questions about condominiums so that buyers can make a more informed decision when purchasing a condominium unit.

What is a Condominium? A condominium is a form of property ownership rather than a particular type of housing. Townhomes, midrise, high-rise and mixed-use buildings are all regularly organized as condominiums. In a condominium, each owner owns his or her home or unit and a percentage of commonly owned property known as the common elements. The common elements consist of all parts of the condominium other than the units and typically includes things like recreational amenities, driveways, landscaping and building exteriors. The Condominium is normally created by filing certain legal documents in the land records office including a Declaration of Condominium, a condominium plat and floor plans.

What is a Condominium Association? A condominium association is a corporation composed of all of the owners of units in the condominium. All owners are required to be members of the condominium association. The association is typically responsible for the overall administration of the Condominium, the maintenance of the common elements and the enforcement of covenants designed to protect property values and preserve harmony within the community.

The Board of Directors is the governing body of a condominium association. This means that the Board is responsible for making all decisions on behalf of the condominium except for certain important decisions reserved to the members. So, for example, under the Georgia Condominium Act, the condominium Declaration can only be amended upon the approval of 2/3 of the total vote in the Association. Until a large percentage of units have been sold or a specified number of years, the developer or declarant of the condominium can appoint and remove the officers and directors of the association and thus control its affairs. After that time, the owners get to elect their own officers and directors. Every owner has a vote in the condominium association (except typically when the owner is delinquent in paying assessments to the condominium association). Many condominium associations hire professional property managers to manage the property and act as the “arms and legs” of the Board of Directors. In addition to the Declaration of Condominium, the legal documents for a condominium include a Bylaws (which sets out the procedures for the operation of the Association) and an Articles of Incorporation (which creates the condominium association). Most condominiums also have rules and regulations adopted by the Board of Directors. In some cases, the condominium association may also be a member of a master condominium association. A master condominium is typically how mixed-use developments are organized. Each of the major land uses in the development are typically one or more master condominium units.

What is it that a Buyer Owns when Buying a Condominium Home? The buyer of a condominium home owns his or her unit plus a pro rata interest in common elements serving all of the owners in the condominium. The boundaries of the unit are normally described three dimensionally with both vertical and horizontal boundaries. So, for example, the outer surface of the sheetrock walls enclosing the unit might be the vertical boundaries of the unit. Similarly, the outer surface of the sheetrock constituting the ceiling of the unit and the middle of a concrete slab constituting the floor of the unit might be the upper and lower horizontal boundaries of the unit. The unit itself is then also shown on recorded floor plans for the condominium. Since the developer has flexibility in defining the boundaries of the unit, the exact boundaries as set out in the Declaration of Condominium should be reviewed by the buyer.

What are Limited Common Elements? A limited common element is a part of the common elements reserved for the exclusive use of one or less than all of the owners. So, for example, parking spaces, storage areas and balconies are often assigned as limited common elements to specific units the owners of which have an exclusive right to use them. Similarly, a hallway on a residential floor in a high-rise building may be assigned as a limited common element only to those owners on the floor with the hallway. Once a limited common element is assigned to a unit owner or owners, it cannot be reassigned or taken away from the owner or owners without their written consent. The limited common element also travels with the unit when it is sold. Therefore, while a limited common element is technically a part of the common elements, an owner assigned a limited common element enjoys many of the same benefits relative to the limited common element as if he or she owned it.

How Do Property Taxes Work in a Condominium? A condominium unit is taxed in the same way as any other piece of real estate. The only difference is that the unit being taxed includes a pro rata interest in the common elements. Since the fair market value of the unit includes the owner's interest in the common elements, the pro rata value of the common elements should not be separately calculated for tax purposes. The condominium association normally pays no property taxes since while it administers the condominium, it normally owns no real property.

What Type of Insurance Does a Buyer Need in Purchasing a Condominium? As one of its many functions, the condominium association is required under state law to insure the condominium (including the condominium units) against certain types of risks. In closing on the purchase of a condominium unit, most lenders will simply want to obtain a copy of the association's insurance policy or a certificate of insurance showing that the association has the required coverages in place. Of course, this does not mean that buyers should not also obtain their own insurance. Buyers of condominium units typically get what is known as a HO-6 policy covering the owner's personal property in the unit, improvements and betterments made to the unit not covered under the association's policy and liability insurance to protect owners against personal injury claims arising in the unit. Buyers should contact their insurance agent for advice regarding their specific condominium insurance needs.

What are Condominium Assessments? In order for the association to maintain the common elements, insure the property and pay for its other expenses, each unit owner pays monetary assessments to the association. Typically, each owner pays a pro rata portion of the total cost of operating the condominium based upon a formula set forth in the Declaration of Condominium. In most cases, assessments are paid on a monthly basis. In addition to assessments, it is common for owners buying the unit the first time it is put into use to pay a capital contribution to the association. This amount is often equal to two months of regular assessments. In the event an Association has an unexpected or costly expense not covered by financial reserves, condominium associations normally have a right to specially assess each member a portion of that expense. This one-time charge raises the funds necessary for a specific purpose or improvement within the complex. If a special assessment is being considered, reference to it is often found in the minutes of meetings of the Board of Directors. Condominium associations have strong legal rights to collect unpaid regular and special assessments from unit owners.

What is a Condominium "Clearance Letter"? Under the Georgia Condominium Act, a condominium association has an automatic lien against any unit the owner of which owes money to the association. Since this lien is not typically filed in the land records of the county in which the property is located, the attorney closing the sale of the unit must check with the association to see if any monies are owed. The closing attorney will also normally obtain from the association what is commonly referred to as a unit clearance letter stating if any monies are owed. Buyers have a right to rely on the information contained in these letters. So, for example, if the unit clearance letter states that \$100 is owed through a particular date the association cannot go back against the new buyer and claim that \$1,000 in assessments is owed for the same time period.

Do Buyers of Condominium Homes Have a Right to Rescind or Cancel Their Purchase and Sale Agreement? Georgia law gives the first buyer of a condominium unit a seven day right to rescind or terminate his or her purchase and sale agreement without penalty. The seven-day period begins to run when the buyer acknowledges receipt of a condominium disclosure package provided by the declarant which contains, among other things, the condominium legal documents, the budget of the condominium association and the floor plan of the unit being purchased by the buyer. This rescission right is unique in Georgia law and is designed to protect buyers by giving them the opportunity to review all of the various legal documents relating to the condominium. The right of rescission only applies to the first sale of the condominium unit. Buyers do not have a right of rescission when they purchase a resale condominium.

What is the Difference between a Condominium Conversion and a New Construction Condominium? A condominium conversion is one where all or part of the building being sold as a condominium was previously occupied by persons for some other use. Many condominium conversions were previously apartments. One benefit of a condominium conversion is that buildings with historic character or architectural interest can often be adaptively reused for residential purposes. In some cases, units in a condominium conversion may be sold at a lower price because they were not necessarily built at today's construction prices. The first buyer of a unit in a condominium conversion receives certain additional disclosures from the developer including a report on the condition of the major systems and components in the building.

Is It Common for Buyers to Contract to Buy a Condominium Home Before It Is Actually Built? The answer to this question is yes. Most construction lenders will only lend money to a developer to build a new condominium if the developer has presold a sufficient number of units to confirm that the condominium development will likely be a success. The purchase and sale agreement is made contingent upon a certain number of other units also being sold by a particular date. During the presale period, the earnest money of the buyer should be held in escrow. If the presale contingency is met, the condominium development goes forward. If it is not met, the buyer's earnest money is typically returned. Most construction lenders now require buyers to deposit larger amounts of earnest money than in the past to discourage buyers from walking away from their contracts if they change their minds about buying before the condominium is finished. Buying prior to the construction of the condominium has both risks and advantages for the buyer. First, the price of the unit prior to construction is often less than what the developer intends to charge for the unit upon the completion of the condominium. Second, there is sometimes the opportunity to customize the layout of a unit since construction has not yet begun. Of course, if the condominium is not successful, the value of the buyer's unit could go down.

Are There any Potential Issues in Obtaining a Mortgage Loan on a Condominium Home? Obtaining a mortgage loan on a condominium unit can be more difficult than obtaining financing on a detached single family home. With a new condominium development or a condominium conversion, the developer will often arrange for financing with particular lenders to make it easier for buyers to purchase units. With an existing condominium, buyers are encouraged to work with a mortgage lender with experience in making condominium loans. Even if the buyer is well-qualified to buy the unit, it can sometimes be difficult to obtain a mortgage loan on a condominium unit if, for example, the condominium has too many leased units or units where owners have not paid their assessments. Buyers are encouraged to meet with a mortgage lender with condominium expertise early in the process to learn more about financing options and limitations.

How Does a Buyer Learn More About a Particular Condominium? If the condominium is an existing development, asking residents about their experiences in living in the condominium is a good way to learn more about the community and any issues it may be facing. Similarly, reviewing minutes of meetings of the Board of Directors and the members of the association and financial records is another good way to learn about the condominium. In this regard, determining whether the association has had a capital reserve study done and is building up sufficient capital reserves to eventually replace items maintained by the association can be a good predictor of whether or not there will be a future special assessment. Finally, reading the condominium legal documents is a great way for a buyer to better understand his or her rights and obligations as a unit owner. Since buyers cannot normally obtain financial or corporate records of a condominium association, buyers may have to get this information from their sellers.

Put All Builder Promises in the Contract. In the event of a contractual dispute, courts will generally only look at the contract in deciding the rights of the parties. Therefore, all builder promises should be written into the contract. So, for example, if the house is going to be served by a septic system, have the builder warrant in the purchase and sale agreement that the system will be designed to serve the number of bedrooms in the house and ask for the warranty to survive the closing. Additionally, if the contract does not state that promises will survive the closing, then the buyer's right to insist that promises be honored usually ends at the closing itself.

Use the Right Contract. REALTORS® recommend that a special new construction purchase and sale agreement be used when a buyer is having a builder construct a new home for the buyer. This is because the contract needs to include or incorporate by reference the plans and specifications describing the scope of work involved in building the house. New construction purchase and sale agreements also typically address other issues unique to building a new home such as what rights the buyer will have to inspect the construction, whether and what type of warranty the builder will provide to the buyer procedures for change orders, delays in construction and the closing date and who will be responsible for obtaining permits and a certificate of occupancy. The GAR New Construction Purchase and Sale Agreement is generally intended to be used in situations where the builder is building a new house and retaining ownership of the property until the house is finished and the closing has occurred. If the house is already completely constructed when the buyer puts it under contract, most REALTORS® recommend that a regular GAR Purchase and Sale Agreement be used in the transaction.

Protect Yourself When Buying a Home to be Constructed

(see also CB13 Protect Yourself When Buying Real Property)

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This brochure was prepared courtesy of the Georgia Association of REALTORS® to help buyers with the new construction home buying process. The recommendations herein are general in nature and are not intended to be exhaustive. Some of the recommendations may not apply to specific properties. Buyers are encouraged to consult with experts and professionals of their own choosing to ensure that they are protected in buying a new constructed house.

Having a new home built is a dream come true for most home buyers. It is a chance for the buyer to have input into the design of the house, select building materials and finishes that are just what the buyer wants and end up with a home that uniquely reflects the buyer's tastes and personality. While the process can be fun and exciting, there are some steps the buyer should take to be protected.

Be Specific in Describing the Work that will go into Building the Home. Most disputes between builders and buyers result from the contract not being specific enough in describing the scope of work that is to be performed by the builder and the type and quality of materials and fixtures to be used. So, for example, if the contract does not include plans and specification showing that there will be crown molding in the various rooms in the house, the buyers should not expect crown molding. Buyers should follow the general rule that if an item is not included in the plans and specifications, the buyer is not entitled to the item. Therefore, plans and specifications should be very thorough. Buyers should also not assume that fixtures and finishes in a model house will necessarily be included in the house to be built for the buyer unless this is specifically stated in the contract. Insisting on detailed plans and specifications is probably the most important way a buyer can protect himself or herself in a new construction contract.

Check Builder's References. As with all professionals, some builders have better reputations than others. Checking builder references is a good way to determine how other buyers who are now living in houses built by the builder view the builder's work. Buyers are also encouraged to go see some homes constructed by the builder. This is a good way for buyers to evaluate the builder's attention to detail and quality. Ask other buyers how easy the builder was to work with when changes in the work need to be made (referred to as "change orders"), whether the builder met time deadlines and how well the builder addressed punch list and warranty issues. These are all good predictors of whether the buyer will or will not have a good experience with a particular builder.

Get Your Financing Together. Few builders will construct a new home for a buyer until the buyer has arranged financing to purchase the home (unless the buyer is paying cash). Normally, the builder will give the buyer a short period of time to verify that he or she has the financial ability to purchase the property. After this time period is over, the purchase contract is no longer subject to a financing contingency. This means that if the buyer's financial status changes and the buyer can no longer afford to buy the house when it is completed, the buyer will be in breach of contract and will likely lose his or her earnest money and other construction deposits if the buyer does not close. While this may seem harsh to some buyers, not buying the home can cause significant financial hardship to the builder since the builder's money is tied up in the house until it can be sold to someone else.

Know Who is Holding Earnest Money and Construction Deposits. Who holds earnest money and/or construction deposits is usually a matter of negotiation between the builder and the buyer. Builders often want control of earnest money and construction deposits to make it easier to access in the event the buyer defaults. Builders will also often use construction deposits to build the house. Buyers sometimes want a Broker to hold the earnest money since such funds will be held in the broker's trust account. Satisfying both the builder and the buyer in these negotiations is not always easy. If the builder goes out of business before the house is finished (as sometimes happens in a real estate downturn), buyer deposits will often be lost. However, builders will not generally make upgrades or modifications to houses without being paid up front for such improvements (since they may reflect the buyer's unique tastes and may make the house more difficult to market). As a result, most buyers have to accept some risk with regards to these deposits. This is another reason to investigate the background of the builder.

Have Realistic Expectations Regarding the Closing Date. Having a new home built for the buyer can be subject to conditions, such as bad weather, that are beyond the control of the builder. As a result, most real estate contracts give the builder the right to extend the closing date due to unforeseen circumstances. Buyers should have realistic expectations regarding the possible need to extend the closing date. If the buyer needs to be in the property by a particular date, this should be negotiated into the contract. The buyer should also regularly communicate with the builder as the house is being built to confirm that there are no circumstances which may result in the closing date being delayed.

Read any Declaration of Covenants Applicable to the Community. Most new subdivision homes are now located in communities where all property owners are subject to a Declaration of Covenants, Conditions and Restrictions (often referred to as a “Declaration”) that, among other things, obligates owners to be a member of and pay assessments to a homeowner’s association. The Declaration also typically includes restrictions regarding how owners may use their properties. Buyers in these communities should read the Declaration to confirm they understand their financial obligations relative to any homeowners’ association and are comfortable with the nature and scope of the use restrictions. For example, it is common for such restrictions to require approval by the homeowners association of: all exterior changes made by the owner to the home and lot, whether the property can be used for business purposes, the number of pets an owner can have, how a property must be maintained and whether or not it can be leased.

Understand What Warranties Come with the Home. In Georgia, developers are not legally obligated to provide buyers with a home warranty. Therefore, it is important for buyers to ask their builders about whether a warranty is being provided and to incorporate it into the purchase and sale agreement. Some warranties are provided directly by the builder while others are provided by independent warranty companies. Some warranties include detailed information about what is and is not a defect. Others require that very specific procedures be followed in order to file a warranty claim. Knowing what the warranty provides is the best way to avoid surprises down the road.

Read All Builder Disclosures Carefully. In many new construction purchase and sale contracts, the builder will disclose conditions in the property and neighborhood of which the buyer may be unaware. So, for example, the builder might disclose that there is a nearby quarry, the view from the buyer’s lot may change over time, homes in later phases of the subdivision may not be as large as the homes presently being built or that the schools serving the subdivision may change due to redistricting. In many cases, the disclosures are of things buyers could easily have discovered had they exercised due diligence prior to signing the contract. Buyers should read all such disclosures so that they better understand what and where they are buying and because they are presumed to have read and understood everything that is in the purchase and sale agreement regardless of whether or not they actually did. Buyers should also do their own investigations of the broader community to ensure that they are aware of any objectionable conditions.

Put All Builder Promises in the Contract. In the event of a contractual dispute, courts will generally only look at the contract in deciding the rights of the parties. Therefore, all builder promises should be written into the contract. So, for example, if the house is going to be served by a septic system, have the builder warrant in the purchase and sale agreement that the system will be designed to serve the number of bedrooms in the house and ask for the warranty to survive the closing. Additionally, if the contract does not state that promises will survive the closing, then the buyer’s right to insist that promises be honored usually ends at the closing itself.

Use the Right Contract. REALTORS® recommend that a special new construction purchase and sale agreement be used when a buyer is having a builder construct a new home for the buyer. This is because the contract needs to include or incorporate by reference the plans and specifications describing the scope of work involved in building the house. New construction purchase and sale agreements also typically address other issues unique to building a new home such as what rights the buyer will have to inspect the construction, whether and what type of warranty the builder will provide to the buyer, procedures for change orders, delays in construction and the closing date and who will be responsible for obtaining permits and a certificate of occupancy. The GAR New Construction Purchase and Sale Agreement is generally intended to be used in situations where the builder is building a new house and retaining ownership of the property until the house is finished and the closing has occurred. If the house is already completely constructed when the buyer puts it under contract, most REALTORS® recommend that a regular GAR Purchase and Sale Agreement be used in the transaction.

What Buyers Should Know About Flood Hazard Areas & Flood Insurance

This brochure was prepared courtesy of the Georgia Association of REALTORS® to help buyers in Georgia learn more about Flood Hazard Areas and Flood Insurance. The information herein is general in nature and is not intended to be exhaustive. Some of the information may not apply to specific properties. Buyers are encouraged to consult with experts and professionals of their own choosing to ensure that they are protected.

In Georgia, it is generally the buyer's obligation to determine if a property is in a flood hazard area.

While the potential for flooding may be more apparent when a property is located close to an ocean, river or stream, flooding can occur in any low lying area or area through which storm water runoff drains. Whether a property is located in a flood hazard area can be determined by having a survey done in which the surveyor is asked to identify the boundaries of any flood hazard areas, reviewing floodplain maps on the national www.FloodSmart.gov website or checking with your local planning department in the city or county in which you live. Our Georgia courts have ruled that if a portion of a property is in a special flood hazard area, the buyer should reasonably expect that some flooding may occur on the entire property.

The boundaries of flood hazard areas can change over time.

Just because a property was not in a flood hazard area in the past does not mean that it may not be in one today. The boundaries of flood hazard areas can change due to changing weather patterns and a generally increased risk for more severe weather, greater precision in floodplain mapping and increased development in an area that may cause greater storm water runoff than in the past. Rather than relying on seller disclosures in this area, it is best to independently verify whether or not property is located in a flood hazard area.

Properties in flood hazard areas are at risk for different types of flooding.

The baseline standard for flooding, known as the base flood, are properties where there is a one percent annual chance of flood. This is also called the 100-year floodplain. However, within this category there are many sub-categories that determine the type of flooding that may occur. So, for example, depending on the location of a property, the flooding may include wave action, be in an area where the property is in a floodway where there is a deniable channel of rapidly moving floodwater or be in a shallow floodplain where flooding of 1-3 feet may occur but with no deniable floodwater channel. Properties within the 100-year floodplain are categorized as being in a special flood hazard area or zone.

The cost of flood insurance will vary based upon the risk of damage resulting from flooding.

Not all buyers pay the same amount for flood insurance. FEMA or the Federal Emergency Management Agency has prepared Flood Insurance Rate Maps ("FIRM") that try to quantify the degree of risk of being in different types of flood hazard zones. The greater the risk of damage from flooding, the more the property owner will pay for flood insurance. There is a National Flood Insurance Program that helps ensure that most properties in a flood hazard area can buy flood insurance. However, the federal government does not sell flood insurance. Instead, this can only be purchased from an insurance professional.

Flood insurance premiums will likely increase.

In 2012, changes were made to the National Flood Insurance Program that will increase the cost of flood insurance. In particular, the law provides for the gradual elimination of a variety of existing federal subsidies for flood insurance. The goal of the changes is for property owners to eventually be charged insurance rates based upon the true risk of damage resulting from flooding. Over time, the properties that will likely see the largest increases are properties with severe repetitive losses, properties where flood losses have exceeded the value of the property and properties improved over 30% of fair market value. Since some of the anticipated increases in flood insurance premiums may be significant, buyers are encouraged to get a price quote from an insurance professional early in the home buying process.

Flood insurance does not necessarily pay for all damage to a property. A standard flood insurance policy only pays for direct physical damage to a property caused by flooding. On 1–4 residential buildings there is a policy coverage limit of \$250,000 through the National Flood Insurance Program. This means that if a \$750,000 house is flooded, the insurance will only pay \$250,000 of that damage. In addition, damage to personal property in the property is capped at \$100,000 under the National Flood Insurance Program. Subject to certain limitations, excess flood insurance is available through private insurance companies.

There are some properties where flood insurance is not available. In 1982, a federal law was passed restricting development on land designated as being a part of a coastal barrier resource system. In Georgia, most coastal barriers are dunes and other land near oceans that act as a buffer to protect properties further inland against flooding. Houses built in a Coastal Barrier Resource System (“CBRS”) area are only eligible for flood insurance if the house was built prior to 1982.

Common flood zone designations:

- AO - River or stream flood hazard areas in the 100-year floodplain where there is a chance of shallow flooding
- AE - Areas within the 100-year floodplain
- V - Coastal areas in the 100-year floodplain where there is an additional hazard associated with storm waves
- AH - Areas within the 100-year floodplain where there is a risk of shallow flooding usually in the form of a ponding water
- B and X (shaded) - Areas between the 100 and 500 year floodplain
- C and X (unshaded) - Areas of minimal flood hazard above the 500-year flood level

Should I avoid buying a property in a flood hazard area? Only a buyer can decide whether the benefits of living near water outweigh its risks. Living near water is viewed by most Americans as highly desirable. Water creates many opportunities for outdoor recreation, is aesthetically pleasing to look at and is generally viewed as having a calming effect on people. As a result, waterfront properties typically command far higher sales prices than non-waterfront properties. The tradeoff in living near water is an increased risk of flooding.

Ordering a CLUE Report (Comprehensive Loss Underwriting Exchange Report) provides a 7-year insurance loss history of a home including losses by flooding. This report can be ordered through an insurance professional or purchased directly. Reviewing this report gives buyers valuable information on the frequency of flooding and the type of damage, if any, resulting from flooding. As such, a CLUE Report can help a buyer evaluate the risks and rewards of buying a home in a flood hazard area. Not all properties in a flood hazard area flood while others flood on a regular basis.

How the improvements on a property located in a flood hazard area are constructed can also sometimes have a bearing on the buyer’s purchasing decision. If the improvements are elevated off the ground and do not include a basement, the actual risk of flooding may be much lower than if the improvements are constructed on grade.

What Buyers & Sellers Need to Know About Short Sales & Distressed Property

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This brochure was prepared courtesy of the Georgia Association of REALTORS® to help buyers and sellers in Georgia learn more about Short Sale and Distressed Properties. The information herein is general in nature and is not intended to be exhaustive. Some of the information may not apply to specific properties. Buyers and Sellers are encouraged to consult with experts and professionals of their own choosing to ensure that they are protected.

Property owners who run into financial difficulties often try to sell their properties quickly in an effort to avoid foreclosure. In many cases, getting rid of a property under these circumstances will result in the owner losing money. This is because the need to sell a property quickly usually means that the owner does not have the luxury of waiting for the very best offer. Still, the finality of a sale can be a relief to the owner because of the certainty of knowing that a financial burden has been lifted. This is one reason why buyers looking for bargains in the real estate market will often seek out distressed sales. The buyers who find success in this area are usually the ones with an ability to close quickly. This brochure will answer some of the most commonly asked questions of buyers and sellers regarding distressed sales.

What is a short sale and why will some lenders take less than the full amount they are owed? The most common type of distressed sale of real estate is known as a short sale. This is where the amount owed on a mortgage is more than the property is worth and the lender allows the property to be sold (or sold short) for less than the outstanding mortgage balance. While this normally results in the lender losing money, lenders also typically lose money when they foreclose on a property. Therefore, in deciding whether or not to approve a short sale, or pursue the foreclosure of the property, instead, most lenders will evaluate which option, foreclosure or short sale, will likely result in their losing the least amount of money. As the value of properties has rebounded in many housing markets, more lenders are deciding that foreclosing on a property is the best way to minimize their financial losses.

Who typically is approved for a short sale? A property owner usually has to have a serious financial hardship for the lender to approve the short sale of the owner's property. The fact that the property has gone down in value is not in and of itself a hardship. Instead, the owner normally has to prove, to the lender's satisfaction, that he or she can no longer afford to pay the existing mortgage due to such things as job loss, divorce, serious illness or business failure. Even if the owner is experiencing a significant hardship, most lenders will only approve a short sale as part of a transaction where the seller has contracted to sell the property to a specific buyer on agreed upon terms and conditions. In this way, the lender can quantify its losses and compare them to what it would lose in the event the lender pursued the foreclosure of the property as an alternative.

What documents will the lender ask for in deciding whether to approve a short sale? While every lender has its own requirements, all lenders need a thorough understanding of the owner's financial position in deciding whether or not to approve a short sale. Therefore, lenders will typically request that the owner provide detailed evidence of the seller's financial inability to pay the mortgage, including copies of checking and savings account statements, two (2) years' tax returns, a financial worksheet, most recent mortgage statement, most recent paystubs, a hardship letter and other similar documents. Giving the lender most of what it needs will not work. Lenders will normally not process a request for a short sale until all of the required documents are provided to the lender. Most lenders now have a short sale department that is available to assist sellers with financial difficulties.

Are there other options besides a short sale that are available to a property owner? Property owners who are experiencing financial difficulties are encouraged to seek professional guidance from an attorney, accountant, financial advisor or other expert and this brochure should not be a substitute for seeking such advice. Speaking with the lender directly is another good way to determine what options the owner might have. For example, some lenders are willing to delay taking action to foreclose on the property as part of what is known as a forbearance agreement. Others may allow the owner to refinance the mortgage if the owner can demonstrate that he or she can afford the reduced monthly mortgage payment. Other lenders may suggest that the owner deed the property back to the lender in lieu of foreclosure. In other instances, bankruptcy may be an option for the owner. Keeping the lines of communication open with the lender and obtaining expert advice are the best ways for an owner to understand his or her rights and decide what course of action best suits his or her needs.

Will a distressed sale affect an owner's credit score?

Any time the lender takes less than the full amount that is owed on a mortgage, either because of a foreclosure, short sale or otherwise, the owner should expect that his or her credit will be adversely affected for some number of years. The impact is usually less with a short sale than with a foreclosure but there are still negative consequences.

Are there tax ramifications to a short sale or other loan forgiveness?

With few exceptions, if any portion of a mortgage loan is forgiven by the lender, the amount written off is treated as income to the borrower. So, for example, if a lender approves a short sale and writes off \$50,000 on a mortgage loan, this amount is treated as income to the owner on which taxes will be owed. There was a federal law which gave tax relief to property owners who sold property in a short sale. This program, however, expired at the end of 2013. Other federal programs designed to help owners with mortgages they could no longer afford have similarly expired.

Can the lender approve a short sale but still pursue the owner for a deficiency?

The answer to this question is yes. Some lenders will only approve a short sale if the owner signs a note promising to repay the amount of money that the lender is writing off. The approval of a short sale is no guarantee that the unpaid portion of the loan will be forgiven. Therefore, owners should try to enter into a written agreement with the lender confirming how any deficiency will be treated. An attorney can advise the owner on the legality of such an agreement.

Can the seller's agent negotiate the short sale on behalf of the owner?

The answer to this question is no. Real estate licensees are not permitted to negotiate a short sale for a property owner under Georgia law. However, real estate licensees can help the owner in filling out the paperwork or in providing needed information to the lender so long as they charge no fee for doing this other than their normal real estate commission.

How long does it take to get a short sale approved?

Even when the owner meets the lender's criteria for being approved for a short sale, it can still take months for the short sale to be approved. Therefore, when selling a property, the property owner and the buyer must both be patient while the approval of the short sale by the lender is being considered. Buying a short sale is usually not a good option for buyers who need to close by a particular date.

Can a relative buy the owner's house in a short sale?

A distressed sale transaction must be an arms-length transaction. The seller and buyer must acknowledge that they are not related to one another and the property is being sold to a buyer who freely and fairly negotiated its purchase. At or before closing, the lender will typically require the seller and the seller's broker to sign an acknowledgment or affidavit that the transaction is arms-length.

Can the owner rent back the property that is being sold as a short sale from the new owner?

The answer to this question will vary from lender to lender. Therefore, sellers should check with their lender to determine its policy on this issue. In the early days of the last severe economic downturn, most lenders would not permit the seller in a short sale to continue to reside in the property as a tenant after the property had been sold. However, some lenders have now changed their position on this issue in an effort to promote greater community stability.

Are special provisions usually included in a purchase and sale agreement to reflect that the property is being sold as a short sale?

The answer to this question is yes. Most purchase and sale agreements on properties being sold as short sales will state that the agreement is subject to the agreement of the lender to take less than what is owed on the mortgage so that the amount paid by the buyer will be sufficient to clear title and pay the amounts needed to close the transaction, including the fees of the closing attorney and the commission of the real estate broker. This gives the lender almost complete discretion to either approve or disapprove the ultimate sale of the property. Buyers will often try to protect themselves against overly long delays by including a provision in the purchase and sale agreement that if the property is not approved for a short sale by a particular date, the buyer can terminate the contract. They will also sometimes set the closing date to be a certain number of days from the date that the short sale is approved by the lender. Some buyers of distressed properties try to delay paying for property inspections until after the short sale is approved. However, there is a greater likelihood that the short sale will be approved when there are no unfulfilled contingencies in the purchase and sale agreement and the buyer is ready to close.