



Attorney General

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# TIPS FOR NORTH CAROLINA HOMEOWNERS AND RENTERS

Attorney General Josh Stein and the Department of Justice work to protect North Carolinians from crime, consumer fraud, and civil rights violations. That includes fighting to ensure that all North Carolinians have fair, equal opportunities to afford homes and build a better future.

If you believe you have been the victim of a scam, contact our office's Consumer Protection Division: [www.ncdoj.gov/complaint](http://www.ncdoj.gov/complaint)

## 1 Tips to Protect Your Home Equity

- Watch out for long-term real estate agreements. Real estate agencies might offer them for a small upfront payment for a promise to use their services in the future, but they could lock your heirs into the agreement if you pass away, allow the company to record a lien on your property, or lock in profits for the real estate agency even if they play no role in selling your home.
- Beware of so-called "equity sharing" agreements, where a non-traditional lender offers you a lump sum payment in exchange for the right to share in the proceeds of a future sale of the property. These agreements can result in your losing ownership of your home by deeding the property to the company, and the repayment is at least double the upfront payment you received.
- Be careful of offers to purchase your home for "cash" and promises that the purchase transaction can close very quickly. These so-called "cash" offers are usually far lower than the actual fair market value of your home. The scammers promise to take over the mortgage payments, but don't, which means your home could be foreclosed on.

- If you are facing foreclosure, beware of offers that promise to give you a few hundred to a few thousand dollars, as well as additional time to remain in the home. Scammers will bid on and buy the property at the foreclosure sale and then try to steal the surplus funds from the sale. After they receive funds from the foreclosure sale, they'll move to evict the homeowner with little notice.
- Watch out for companies that purchase a home and sell it to you and lease you the land upon which the home is built separately. The total monthly payment will often be higher than the traditional mortgage for the home and land.

## 3 Tips to Avoid Home Contractor Fraud

- Always do your research about a company before you decide to do business with them. Check with the Better Business Bureau and our office's Consumer Protection Division to learn if consumers filed complaints about the company. Also, check to make sure the contractor is licensed. By law, a contractor must be licensed if a project costs \$40,000 or more.
- Get written estimates from at least three companies before doing business.
- Always insist on a written contract and know about your right to cancel. Under state law, you can cancel a contract up to three days after you sign in certain circumstances. The contract must provide instructions on how to cancel, if:
  - (1) the contractor or representative personally solicits you;
  - (2) the agreement takes place somewhere other than the contractor's place of business; and
  - (3) you did not initiate the contact and ask the contractor to visit your home to do maintenance and repairs.
- Beware of anyone who shows up at your house and offers to fix a problem you weren't aware of. Always get a second opinion from a company you trust before starting work.
- Do not pay for work before it is completed. Pay on a schedule as the work is completed, and do not make the final payment until the work is completed to your satisfaction.

## 2 Tips for Renters

- Landlords are required to provide their tenants with a fit premises and should make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition, including electric, plumbing, heating, cooling, and appliance repairs.
- A tenant should notify their landlord in writing about needed repairs, and landlords should make repairs in a reasonable period of time.
- If the landlord refuses to make repairs or remedy the condition, the tenant may file a complaint with their local authorities, such as a code enforcement agency or fire and safety inspector, or seek damages or reduced rent through the courts.
- North Carolina does not impose any restraint on a landlord's ability to increase the price of rent. Read your lease closely to determine if a landlord is allowed to increase rent during an existing lease term.
- Keep a record of your attempts to pay rent as it becomes due. In an eviction proceeding, courts may consider whether the landlord appropriately denied payment of rent or if the newly increased rent was appropriate under the lease.