



(14a) A completed residential property disclosure statement that complies with Chapter 47E of the General Statutes, provided that the seller does not choose the option of making "No Representation" as to any characteristic or condition of the property.

...  
 (16) ~~If the property being sold is encumbered by a deed of trust, mortgage, or other encumbrance evidencing or securing a monetary obligation which constitutes a lien on the property, and the seller is not a licensed general contractor within the meaning of Chapter 87 of the General Statutes, or a licensed manufactured home dealer within the meaning of Article 9A of Chapter 143 of the General Statutes, a statement of the amount of the lien, and the amount and due date, if any, of any periodic payments.~~

...."

**SECTION 4.** G.S. 47H-8 reads as rewritten:

**"§ 47H-8. Remedies.**

~~A violation of any provision of this Chapter constitutes an unfair trade practice under G.S. 75-1.1.~~ A purchaser may bring an action for the recovery of damages, to rescind a transaction, as well as for declaratory or equitable relief, for a violation of this Chapter. The rights and remedies provided herein are cumulative to, and not a limitation of, any other rights and remedies provided by law or equity. Nothing in this Chapter shall be construed to subject an individual homeowner selling his or her primary residence directly to a buyer to liability under G.S. 75-1.1."

**SECTION 5.** G.S. 75-120 reads as rewritten:

**"§ 75-120. Definitions.**

The following definitions shall apply in this Article:

(1) ~~Default.—Whenever a property owner is more than 60 days delinquent on any loan or debt that is secured by the property, including real estate taxes.~~

...

(3) Foreclosure rescue transaction. – A transfer of residential real property, including a manufactured home that is permanently attached to the real property, which includes all of the following features:

- a. The real property is the principal residence of the transferor.
- b. ~~The transferor is in default or legal proceedings have been initiated to foreclose on the transferor's property.~~
- c. The transferee, an agent of the transferee, or others acting in concert with the transferee make representations that the transfer of the residential property will enable the transferor to prevent, postpone, or reverse the effect of foreclosure and to remain in the residence.
- d. The transferor retains ~~an interest in the property conveyed, including a tenancy interest, an interest under a lease purchase agreement, an~~ lease with option to purchase agreement, or an option to reacquire the property, or any other legal, equitable, or possessory interest in the property conveyed.

...."

**SECTION 6.** G.S. 75-121 reads as rewritten:

**"§ 75-121. Foreclosure rescue transactions prohibited; exceptions; violation.**

(a) It is unlawful for a person or entity other than the transferor to engage in, promise to engage in, arrange, offer, promote, solicit, assist with, or carry out a foreclosure rescue transaction for financial gain or with the expectation of financial gain, unless prior to or at the time of transfer, the transferee pays the transferor at least fifty percent (50%) of the fair market value of the property as determined by a ~~licensed~~ certified appraiser. An appraisal to determine

1 the fair market value of the property must be performed no more than ~~90~~120 days prior to the  
2 transfer. The appraisal shall be delivered to the transferor ~~no more than three days after the~~  
3 ~~appraisal is performed and~~ no less than seven days prior to the time the transferor becomes  
4 obligated to perform the agreement.~~transfer of the property. This section does not apply to~~  
5 ~~exempt transactions.~~

6 (b) Every contract to effectuate a foreclosure rescue transaction in which the transferee  
7 pays at least 50% of the fair market value of the property, shall be in writing, shall be signed  
8 and acknowledged by all parties to it, and shall contain all the terms to which the parties have  
9 agreed. The contract shall contain at least all of the following:

- 10 (1) The names and addresses of all parties to the contract.
- 11 (2) The legal description of the property being transferred.
- 12 (3) Any financial obligation of the transferor that will be assumed by the  
13 transferee.
- 14 (4) The total amount to be paid by the transferee in connection with the  
15 transaction.
- 16 (5) The fair market value of the property as determined by a ~~licensed~~certified  
17 appraiser.
- 18 (6) A description of the interest in the property retained by the transferor as  
19 provided in G.S. 75-120(3)d.
- 20 (7) The terms of the transferor's right to any future possessory or ownership  
21 interest in the property."

22 **SECTION 7.** This act becomes effective October 1, 2013, and applies to  
23 transactions entered into on or after that date.