

Seller Pre-Closing Responsibilities in North Carolina

The seller's pre-closing responsibilities are typically either outlined in the sales contract, or, in the absence of specific, written clarification, are based on common custom. In North Carolina, Standard Form 2-T, the Offer to Purchase and Contract, is usually used for residential real estate sale transactions. Within the form, the buyer's obligations are primarily focused on the costs associated with certain aspects of closing (as you would expect in a purchase), while the seller's obligations are a bit more complex.

Obligations Under Standard Form 2-T

Standard Form 2-T lists the following as seller obligations:

- Cooperate with the closing attorney to provide relevant closing documentation, such as:
 - Any title information to which the seller has access
 - A non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act) when applicable
 - Loan payoff information, including the appointment of a lien agent if necessary
 - Affidavits and indemnification statements from any parties who may be entitled to claim a lien against the property proving they've been paid and indemnifying the buyer from any related losses
- Cooperate with the title company to clear up any title deficiencies in order to provide a general warranty deed that's free of liens, encumbrances, or defects.
- Make any negotiated repairs or improvements.
- Provide access to the property for the buyer to perform any necessary due diligence, verify the completion of any negotiated repairs, and conduct a final walk-through.
- Remove all of the seller's personal property and debris from the premises before the buyer takes possession.
- Pay the following:
 - Costs associated with preparation of the deed and any other documentation necessary to complete any other obligations, as well as the excise fees associated with the transfer of title
 - HOA/POA fees associated with the preparation for the sale or transfer of title
 - Confirmed special tax assessments that are levied against the property prior to settlement, if the amount can be reasonably estimated (even though they're due in the future, if the assessment has been confirmed, the seller owes)
 - Late listing penalties for property taxes, if applicable
 - Any other buyer fees or costs that have been negotiated for the seller to pay

Other Typical Seller Obligations

As if Standard Form 2-T isn't thorough enough, a few more obligations that are customarily assigned to the seller (with the help of the seller's agent), including that the seller must:

- Maintain the property in good condition.
- Verify that buyer financing is in order (or proof of funds if paying cash).
- Retain an attorney as necessary.
- Review the Closing Disclosure (before closing) and the settlement statement (at closing).
- Bring identification to closing.
- Review and sign finalized closing documents.

Additionally, when the property is being rented or leased to tenants, the sellers must prepare the assignment of any outstanding leases to be switched from the seller to the buyer. Typically, the seller provides all the leases to the closing attorney, and the closing attorney prepares the actual documents that assign the leases to the buyer, along with the rights to future rents. Even with the closing attorney's involvement, it's the seller's responsibility to ensure that the leases are assigned to the buyer. Basic information about the property-like a tenant list, rent statutes, etc.-should be provided to the buyer, and security deposits should be handled in accordance with the Tenant Security Deposit Act-meaning they'll either be transferred to the new owner and the tenants will be notified, or they'll be returned to the tenants and the new owner will collect new ones.