REALTY **ONE** GROUP RESULTS

NORTH CAROLINA · BUYERS & SELLERS · 2026

Due Diligence
Q&A

The questions that come up in every transaction, answered the way they'd be answered at the closing table.

TERESA OVERCASH

BROKER-IN-CHARGE · NCREC LICENSED INSTRUCTOR · CLHMS

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TWO THINGS FIRST

Get these right and the rest makes *sense.*

One — there are two separate payments

	DUE DILIGENCE FEE	EARNEST MONEY DEPOSIT
Who holds it	The seller, directly. Not escrowed.	An escrow agent — usually the closing attorney
What it buys	Your right to terminate for any reason during the window	Nothing on its own — it shows good faith
If you close	Credited to you at closing	Credited to you at closing
If you terminate inside the window	Seller keeps it	Refunded to you
If you walk after the window	Seller keeps it	Seller is entitled to it too

Two — the contract forms before any money moves

A North Carolina contract becomes legal, binding, and enforceable when all parties have signed, dated, and initialed any changes — **and that signing has been communicated back to the final party.** Both halves. That moment is the Effective Date.

Delivery of the due diligence fee is a separate step. It has nothing to do with whether the contract is valid. The Effective Date is simply what makes the fee due.

> *Almost every argument I see during due diligence traces back to one of these two points. Somebody thought the two checks were the same check, or somebody thought the deal wasn't real until the money arrived.*
>
> TERESA OVERCASH

THE SHORT VERSION

2	5:00	Any	0
SEPARATE PAYMENTS	P.M. DEADLINE TIME IS OF THE ESSENCE	REASON TO WALK INSIDE THE WINDOW	REPAIRS A SELLER MUST AGREE TO

BUYERS ASK

The four questions, every *time.*

Is the due diligence fee refundable?

Generally no. It becomes the seller's property on the Effective Date, and if you terminate during the window you lose it — while your earnest money comes back. If you close, it's credited to you against the purchase price, so it isn't lost, just spent early.

But "non-refundable" has real exceptions, and they're worth knowing:

- The seller materially breaches the contract
- You never received the Residential Property and Owners' Association Disclosure before your offer
- You never received the Mineral and Oil and Gas Rights disclosure
- The property has an uncured violation of law, ordinance, permit, or regulation
- The property isn't in substantially the same condition at closing

Addenda can create further refund rights. If your deal has addenda attached, the answer lives in those pages too.

How long should the due diligence period be?

There is no standard and no legal minimum or maximum. It is entirely negotiable. Most Triad residential resales land between two and three weeks; septic and well properties, HOA communities, and new construction reasonably run longer.

Ask your lender how long they actually need before you pick a number — underwriting plus an appraisal in a busy season is not a ten-day exercise. And never leave the end date blank or write "N/A." A specific date belongs in that blank, every time.

> ### A note for competitive situations
>
> A shorter window is a real concession to a seller and it can win you a house. Just don't offer a window shorter than the time your own inspections and financing genuinely require — you'll spend the savings on an extension request you may not get.

The deadline, and the right to *walk.*

What happens if I miss the deadline?

The window closes at **5:00 p.m.** on the stated date, and the contract says **time is of the essence.** That phrase has teeth: no grace period, no "we were basically on time," no reasonable-under-the-circumstances argument. 5:01 is a different world than 4:59.

Once it closes, your unilateral right to terminate is gone. If you walk after that, you lose the due diligence fee and the seller is entitled to your earnest money. Together those are treated as liquidated damages — and generally as the seller's sole remedy, which is the one piece of good news in that sentence.

> ### Set your own deadline a day early
>
> Put the reminder in your phone for **noon the day before** the window closes. Wires fail, inspectors reschedule, underwriters ask for one more document, and email goes to spam. Build the cushion into the calendar, not into your optimism.

Can I really back out for any reason?

Yes. During the window, your right to terminate is unilateral and unconditional. Any reason, or no reason. You don't need the seller's permission and you don't owe them an explanation.

Do it properly: **in writing**, using the termination notice form, delivered to the seller or the listing agent **before 5:00 p.m.** on the final day, to an address the contract lists for notices. Keep the timestamp — email works, and the sent time is your proof.

One caution: use the unilateral termination form, which needs only your signature. There is another form that terminates by mutual agreement and requires both signatures. If the seller doesn't get around to signing before 5:00 p.m., you've created an argument about whether the contract was properly terminated — with your deposit sitting in the middle of it.

WHAT CHANGED JULY 1, 2026

The fee is still due — but breach is a *process.*

North Carolina's standard forms were revised effective July 1, 2026, and one change matters to both sides of this question. If your contract was written on or after that date, this applies to you.

The grace period

The fee is **still due on the Effective Date.** That did not move. What changed is what happens when it doesn't arrive. Under the old rule a buyer who missed that date was in breach the very next day. Now the buyer has until the **end of the next banking day** before breach occurs — and the form defines "banking day" so the count is calculable rather than debatable.

And the step people skip

Missing the payment does **not** hand the seller an automatic right to terminate. The seller must first give written notice demanding payment, using the prescribed form. Only if the buyer still doesn't pay may the seller terminate — and even then, the seller is not required to.

AND FOR BUYERS WHO THINK SILENCE IS AN EXIT

Not delivering the fee does not void the contract. **The contract already exists, and the fee is a debt you owe from the Effective Date forward.** Terminating doesn't erase it. A seller can pursue that money — including in small claims court — and generally will win, because once the contract is binding the fee belongs to them whether it has changed hands or not. A buyer who plans to quietly skip the check is exposed to a judgment on a house they don't own.

One more 2026 change worth knowing: a seller now has the option — not the obligation — to limit physical access to the property while the fee is unpaid. It does not restrict the rest of due diligence; loan processing, title review, and ordering a survey all continue.

Getting paid, and fixing *nothing.*

When do I actually get the fee?

On the Effective Date, or on whatever timeframe the contract specifies. Since July 1, 2026 the buyer has until the end of the next banking day before they're in breach.

If it doesn't arrive, **the process matters and it is not automatic.** Give written notice demanding payment using the prescribed form. Only if it still isn't paid may you terminate — and you're not required to. Terminating also doesn't erase the debt: the fee became yours on the Effective Date, and you can pursue it.

Practically: a good buyer who fumbled a wire is worth a phone call before a demand letter. A buyer who goes quiet is telling you something. Either way, **document it in writing.**

Do I have to fix what the inspection finds?

No. Under the standard North Carolina forms the property is being sold in its current condition unless the parties agree otherwise. You may negotiate repairs. You are not required to. You can decline all of it — and then the decision is the buyer's: close, or terminate.

Anything you do agree to becomes binding only through a **written, signed amendment.** A verbal "we'll take care of that" is not an agreement, and it protects nobody.

The judgment call underneath "no"

You're entitled to decline. Whether you should is a different question. If the item is a genuine safety or structural issue, the next buyer's inspector will find it too — and you'll be having this conversation again in six weeks, from a weaker position with a staler listing.

Decline the theater. Consider the real ones.

SELLERS ASK

Last-minute requests, and the *backup* question.

What if the buyer asks for repairs at the very last minute?

You can decline, or you can simply let the clock run. If a repair request lands with hours left, the buyer has put themselves in the position of choosing between taking the property as it is or terminating — and losing their fee.

That's a legitimate position for you to hold. But hold it deliberately rather than by accident: a buyer who genuinely wanted the house may just have a slow contractor, and a short extension in exchange for additional fee money can be a better outcome than a termination and a relist.

Can I take a backup offer while the buyer is still in due diligence?

Yes — and this is widely misunderstood. You cannot unilaterally terminate the existing contract, and you cannot sell the home out from under a buyer who is performing. But you absolutely may continue marketing the property and **accept a back-up contract** using the standard Back-Up Contract Addendum.

A back-up buyer moves into first position only if the current contract terminates. Until then they're waiting in line, at no cost to you — and having one in place changes how you handle a last-minute repair demand.

> WHERE THE CONFUSION COMES FROM
>
> People conflate two different things: terminating the existing contract, which you generally cannot do unilaterally, and accepting a backup, which is routine and permitted. If someone tells you that you can't talk to another buyer while you're under contract, they're describing the first thing and calling it the second.

Can I put the house back on the market if negotiations stall?

Not while the buyer is performing inside an active window. Stalled negotiation is not a breach — the buyer is entitled to use the time they paid for. What you can do is decline their requests, keep the listing marketed, line up a back-up contract, and let the deadline arrive.

EVERY ENDING

Who keeps *what.*

This is the page to photograph and keep on your phone.

WHAT HAPPENS	DUE DILIGENCE FEE	EARNEST MONEY	NOTES
The sale closes	Credited to buyer	Credited to buyer	Both reduce what the buyer owes at the table
Buyer terminates inside the window	Seller keeps	Refunded to buyer	Any reason or none; written notice required
Buyer walks after the window closes	Seller keeps	Seller entitled to it	Together, liquidated damages — and generally the seller's sole remedy
Seller materially breaches	Refunded to buyer	Refunded to buyer	Buyer may also recover reasonable due diligence costs, or sue to force the sale
A required disclosure was never delivered	Refunded to buyer	Refunded to buyer	Narrow window — expires on the earliest of three triggers
Uncured legal violation on the property	Refunded to buyer	Refunded to buyer	Buyer may instead accept it and close
Property not in substantially the same condition	Refunded to buyer	Refunded to buyer	Reasonable wear and tear excepted
Buyer never pays the fee	Owed regardless — the contract still exists		Written demand first; seller may then terminate and pursue

The single most expensive mistake

A buyer lets the window expire while waiting on one more contractor quote, then decides to walk. They've moved from row two of this table to row three — and the difference is usually thousands of dollars.

Nothing else in this transaction punishes a missed deadline this hard.

REALTY **ONE** GROUP RESULTS

Mid-window and not sure what to *do?*

Whether you're a buyer watching a deadline or a seller deciding how to answer a repair request, one call gets you a straight answer. We run these windows every week — and the right move usually depends on two or three facts nobody has asked you about yet.

CALL OR TEXT

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REALTY ONE GROUP RESULTS · EIGHT NC OFFICES · 280+ AGENTS

General education about how North Carolina's standard residential forms typically operate, current as of September 2026 — not legal advice. Your contract may be modified or carry addenda that change any answer here, and the forms are revised periodically; paragraph and subparagraph references shift between annual revisions, so confirm provisions against the version you actually signed. Due diligence fees, period lengths, and terms are fully negotiable in every transaction and are not set by any association, MLS, or law. North Carolina is an attorney-closing state; for a specific transaction, a threatened claim, a disputed termination, or an ambiguous fact pattern, consult a licensed North Carolina attorney. Information deemed reliable but not guaranteed.