REALTY **ONE** GROUP RESULTS

NORTH CAROLINA SELLERS · FORM REC 4.22 · 2026

Truth Is Your *Shield*

*The disclosure form is not paperwork.
It is a signed legal representation that follows you for years after closing. Six rules decide your risk.*

TERESA OVERCASH

BROKER-IN-CHARGE · NCREC LICENSED INSTRUCTOR · CLHMS
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THE SIX RULES

Short, learnable, and they decide your *exposure.*

Most sellers walk into a listing appointment thinking the disclosure form is paperwork. It is a signed legal representation under North Carolina General Statutes Chapter 47E, and it follows you for years after closing.

RULE	WHAT IT MEANS IN PLAIN ENGLISH	WHERE IT LIVES
1. Use the current form	REC 4.22, revised May 2024 and required for new listings since July 1, 2024. An older form is not a compliant delivery.	NCREC Form REC 4.22
2. Deliver on time	The buyer gets it no later than their offer. Late delivery unlocks a written cancellation right and a refund of deposits.	N.C.G.S. 47E-5
3. Answer every item	Every question gets Yes, No, No Representation, or Not Applicable. **A blank is not an answer.**	N.C.G.S. 47E-4(a)
4. Tell the truth about what you know	Yes and No are affirmative representations about your actual knowledge. Not Applicable means the feature doesn't exist. No Representation is not the same as No.	N.C.G.S. 47E-4(a)
5. Correct promptly	A new inspection, storm damage, system failure, or repair attempt triggers a same-day review and, if material, a written correction.	N.C.G.S. 47E-7
6. Handle all three disclosures	RPOADS, Mineral and Oil and Gas Rights, and federal lead paint on most pre-1978 homes are three files with three rulebooks.	47E-4; 42 U.S.C. 4852d

> *I have never seen a seller lose sleep over an honest answer. I have seen sellers lose sleep, and lose money, over the answer they wrote when they were tired, annoyed, or trying to protect a story that didn't need protecting. Tell the truth, use No Representation where the law lets you, and correct the form the day something changes. That is the whole strategy.*
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WHAT YOU'RE MANAGING

6	3	2	3 yrs
RULES THAT DECIDE YOUR RISK	SEPARATE MANDATORY DISCLOSURES	DEADLINES THAT BREAK DEALS	TYPICAL LIMITATIONS PERIOD, FROM DISCOVERY

THE FOUR BUTTONS

They look interchangeable. They are *not.*

The form gives you four choices on most questions. Yes and No are factual statements about what you personally know. No Representation is a legal choice not to speak. Not Applicable is a factual statement about the property itself. Never confuse the three.

ANSWER	WHAT IT COMMUNICATES	YOUR RISK IF IT'S INACCURATE
Yes	You have actual knowledge of the condition — and you must explain it in writing	An incomplete explanation or minimizing language can turn a Yes into a misleading half-truth. **Attach the source document by date and author.**
No	You affirmatively state you have no actual knowledge of the condition described	Highest risk if contrary knowledge sits in an old inspection, claim, invoice, permit, or email. **This is the answer that becomes a fraud claim.**
No Representation	You decline to make a representation on that item	Generally avoids a Chapter 47E duty on that item — but protects no lie, half-truth, concealment, or inconsistent statement elsewhere
Not Applicable	The property does not contain the feature described	An affirmative factual position. It can be false if the feature exists. Use only where offered and genuinely absent.
Blank	Nothing	An incomplete statement, evidence of a weak file, and potentially treated as undelivered

> *When I sit down with a seller and we walk the form, I ask two questions on every item. What do you actually know, and where is the paper that proves it? If we can't answer both, we either mark No Representation on that line or we go find the paper before we answer Yes or No. Answers should live on the same shelf as your records, not on the other side of the room.*
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The statute does not require you to inspect the property, diagnose a condition, become an expert, or guarantee future condition. The form is not a warranty. It is a disclosure of your choices and your actual knowledge as of signing — subject to the correction duty.

THE MOST MISUNDERSTOOD ANSWER

Where No Representation *stops* working.

Sellers hear about No Representation, love the sound of it, and try to use it as a general shield. It is not one. It is a narrow statutory choice that works only inside its lane.

Section 47E-4 lets an owner state that they make no representations as to the characteristics and condition of the property. Check it on an item that offers it, and Chapter 47E says you have no duty to disclose that condition — **whether or not you should have known of it.** That is a real shield, and it is worth using.

Here is where it stops

— **It does not turn a false oral statement into truth.** Say "the roof has never leaked" on a tour, then mark No Representation on the roof question, and the oral statement is still a representation that can support a claim.

— **It does not cure active concealment.** Painting over a stain, spraying air freshener over an odor, blocking access to a crawl space — that is concealment, and the form is not a cure.

— **It does not eliminate contract duties.** If the contract requires the property to be conveyed in substantially the same condition, a change you fail to correct is still a contract problem.

— **It does not eliminate your broker's duty.** Your listing broker still owes an independent Chapter 93A obligation to disclose material facts they know or reasonably should know — and **that duty runs to the buyer, not to you.**

— **It is not available everywhere.** Certain mineral rights questions and the federal lead disclosures do not offer it at all.

THE LINE THAT MATTERS

No Representation is a choice not to answer. **It is not a license to hide.** North Carolina law has long held sellers liable for knowingly withholding or misrepresenting material latent defects, and nothing on this form changes that.

One more thing no seller should let anyone tell them: a listing broker may explain the form and point out blanks or contradictions, but should never select answers for you, treat the form as the broker's statement, or advise you to hide behind No Representation. These are your representations.

TWO DEADLINES

The timing is where deals *break.*

Deadline one — delivery, no later than the offer

You must deliver the statement to the buyer **no later than the time the buyer makes an offer.** Delivery after that point is late even if it lands before acceptance. Late delivery gives the buyer a written cancellation right and a refund of deposits.

That right expires at the earliest of three events under N.C.G.S. 47E-5:

- Three calendar days after the buyer receives the statement
- Three calendar days after contract formation
- Settlement or occupancy

Once one of those happens, that window closes — **but only that window.** Fraud and contract claims are separate and run on their own deadlines.

Deadline two — prompt correction after signing

Your duty does not end the day you sign. Under N.C.G.S. 47E-7 you must promptly correct a material inaccuracy and address a material change. Failure exposes you to remedies otherwise available when the contract requires the property to be conveyed in substantially the same condition.

WHAT TRIGGERS A SAME-DAY REVIEW OF YOUR FORM
A new inspection report — yours or the buyer's
A storm event, wind loss, or flooding
A system failure — HVAC, water heater, roof, plumbing, well pump
A repair attempt or contractor visit that reveals new information
An insurance communication, denial, or claim payment
A governmental notice, permit issue, or code enforcement letter
A buyer's termination, followed by re-listing the same property

> *A disclosure is not a signature. It is a signature and a habit. The habit is to open the form back up any time something material changes and ask whether the answer still fits. That is not fear. That is discipline — and it is the cheapest legal protection you will ever buy.*
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THREE FORMS, NOT ONE

Completing one is not completing the *others.*

Sellers often think the RPOADS *is* the disclosure. It is one of three. Each has its own rules and its own consequences, and treating them as a single form is among the fastest ways to end up in a claim.

DISCLOSURE	WHO DELIVERS IT	NO REPRESENTATION AVAILABLE?	CONSEQUENCE FOR SKIPPING
RPOADS — REC 4.22	Every owner of 1-to-4 unit residential property unless a statutory exemption applies	Yes, on most items	Buyer cancellation right and refund of deposits under 47E-5
Mineral, Oil & Gas Rights	Same population, **plus certain transactions exempt from the RPOADS**	Only on the prior-severance question — not on current-owner severance or intent to sever	Same cancellation right, and a separate duty even where RPOADS is waived
Federal lead-based paint	Most housing built before 1978	No — federal law requires disclosure of known hazards, records, the EPA pamphlet, and a 10-day inspection opportunity	Civil penalties, potential liability for three times the buyer's damages, plus costs and fees

The exemption trap

Some transfers are exempt from the RPOADS — court-ordered transfers, certain foreclosure and fiduciary transfers, transfers between certain relatives, transfers incident to divorce, and others. **Never label a transaction exempt from memory.** Document the exact statutory subsection.

And know what an exemption does not reach: it does not erase the mineral rights statement, the federal lead package, your broker's disclosure duties, or your contractual representations.

A pre-1978 home requires two North Carolina forms plus a full federal lead package. If any one of the three is missing, no amount of good-faith answering on the other two will cure it.

Not every mistake is *fraud.*

Chapter 47E supplies the form duties, the delivery remedy, the correction duty, and certain reliance protections. It does not create a fixed fine for every wrong answer, and it does not make every mistake automatic fraud. The facts decide — your state of mind, the buyer's reliance, causation, damages, contract terms, and defenses.

THEORY	TYPICAL TRIGGER	POTENTIAL RESULT
Statutory cancellation	Disclosure delivered after the buyer's offer	Timely written cancellation and return of deposits
Fraud or concealment	Material lie or concealment intended to deceive, that actually deceives and damages	Rescission or compensatory damages, and possibly punitive
Negligent misrepresentation	False information supplied without reasonable care for the buyer's guidance	Pecuniary damages, subject to proof and defenses
Breach of contract	A disclosure or promise becomes contractual, or a condition covenant is breached	Contract damages or other remedies
Unfair or deceptive practice	Deceptive conduct in or affecting commerce	Treble actual damages under N.C.G.S. 75-16, plus possible attorney fees

The two numbers people ask about

Punitive damages require compensatory liability plus fraud, malice, or willful or wanton conduct, proven by clear and convincing evidence. N.C.G.S. 1D-25 caps them at the greater of three times compensatory damages or $250,000, subject to statutory exceptions. A verdict above the cap gets reduced by the trial court.

Treble damages under Chapter 75 are mandatory when a violation is proven. Whether a one-time homeowner sale is "in or affecting commerce" is a fact-specific legal question — builders, investors, and brokerages carry meaningfully greater exposure than a private homeowner, though a homeowner is not automatically outside the statute either.

And the clock runs from discovery, not closing

Many North Carolina fraud and contract claims use a three-year limitations period, and fraud generally accrues **on discovery of the facts** — not on the day you close. Other claim types and repose rules differ. A claim can surface long after the sale, which is exactly why a clean file matters more than a clever answer.

THE OTHER SIDE

Defenses that actually *hold up.*

An honest, well-documented seller has real defenses. A defensible file is often worth more than a defensible answer.

You didn't actually know

Chapter 47E is framed around actual knowledge. A person ordinarily cannot conceal a fact they did not know. If you signed based on what you truly knew at the time, and something surfaced later you had no reason to know, that is defensible — especially where you also met the correction duty as new information arrived.

You reasonably relied on an expert or agency report

Chapter 47E lets you attach a report from a public agency or licensed expert. You are generally not responsible for an error in information reasonably relied upon **unless you were grossly negligent** in obtaining or transmitting it. Note the limit: this protection does not extend to the mineral rights disclosures.

The buyer didn't reasonably rely

North Carolina recognizes a buyer's reasonable-diligence obligation in an arm's-length transaction. Courts have rejected fraud claims where the information was public, conditions were observable, and nothing prevented investigation. **But do not overread this defense.** Public records and inspections affect reliance — they never authorize an affirmative false answer or intentional concealment.

The claim is time-barred

Limitations and repose periods are calculated from the specific facts of the claim, not from a general rule. That analysis belongs to counsel.

> ### What a defensible file contains
>
> Your signed and dated current form. A delivery record showing it went out before or with the buyer's offer. Written follow-up resolving blanks and contradictions. The reports, invoices, permits, and claim records behind your descriptions. Any corrected form, with proof of who received it and when.
>
> **The file should show who knew what, when they learned it, and when the buyer received it.** A clean chronology is often as important as the form itself.

TWO LAST THINGS

What you *don't* have to disclose.

A small set of facts are not material under North Carolina law and do not have to be volunteered.

A prior occupant's serious illness or death, and the fact that a registered sex offender resides on or near the property, are **not material facts** that must be disclosed in a residential transaction.

Silence is protected. A lie is not. If you choose to answer a question about one of those facts, you may not knowingly answer falsely.

When to stop and call someone

Some situations are past the point where a form is the right tool. Pause and get your Broker-in-Charge or a North Carolina attorney involved when there is:

- Evidence of deliberate concealment
- A threatened or filed claim, or a demand letter
- A seller refusing to correct a material statement
- Disputed environmental contamination
- Repeated water intrusion with conflicting explanations
- A serious title or encroachment issue
- Genuine uncertainty about whether an exemption applies

> *The RPOADS is your statement. Deliver on time, answer every applicable item, and disclose your actual knowledge or choose No Representation where it's offered. That choice does not permit a lie, a misleading half-truth, active concealment, or a failure to correct. Get the six rules right and your exposure is small. Skip one and you have opened a door that stays open for years.*
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We walk it line by line, with the *records* on the table.

Every seller we list goes through the RPOADS, the mineral rights statement, and — on a pre-1978 home — the federal lead package, item by item, with the source documents in front of us. That is how you sign an honest form and sleep well after closing.

CALL OR TEXT

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General education about North Carolina disclosure law as of September 2026 — not legal advice, and not a substitute for review of the statutes, the current Commission form, or the full text of any cited authority. Statutes, forms, and Commission guidance change; the current form is REC 4.22, revised May 2024. Case summaries are limited to the propositions described. Whether an exemption, defense, or liability theory applies turns on specific facts, state of mind, reliance, causation, damages, and contract terms. For an ambiguous fact pattern, a threatened or filed claim, a concealment allegation, or a seller refusing to correct, consult a licensed North Carolina attorney. Information deemed reliable but not guaranteed.