

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL DRS15414-NKa-111

Short Title: Homebuyer Fairness & Protection Act. (Public)

Sponsors: Senators Smith and Grafstein (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO LIMIT THE AMOUNT OF DUE DILIGENCE FUNDS ALLOWED IN
RESIDENTIAL REAL PROPERTY TRANSACTIONS AND TO APPROPRIATE FUNDS
TO THE NORTH CAROLINA HOUSING COALITION TO BE USED TO SUPPORT
HOMEBUYER EDUCATION SERVICES IN THIS STATE.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 22B of the General Statutes is amended by adding a new
Article to read:

"Article 4.

"Unenforceable Real Estate Transaction Charges.

"§ 22B-30. Due diligence funds.

(a) A seller of residential real property may not require, as a condition of acceptance of an offer to purchase real property, due diligence funds to be paid in an amount exceeding one percent (1%) of the purchase price contained in the offer to purchase. Any provision in a contract specifying an amount in excess of the amount provided in this section is void and unenforceable.

(b) For the purposes of this section, the term "due diligence funds" means nonrefundable funds to be paid directly to a seller of real property upon acceptance of an offer to purchase real property in exchange for the opportunity to further investigate the subject real property and transaction within an agreed-upon time period.

(c) In an action to recover due diligence funds specified in a contract provision rendered void and unenforceable under this section, the seller is liable to the offeror for court costs and for attorneys' fees actually and reasonably incurred in the action."

SECTION 2. There is appropriated from the General Fund to the Office of State Budget and Management the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2024-2025 fiscal year to be allocated in the form of a grant to the North Carolina Housing Coalition, Inc., a nonprofit corporation, to support homebuyer education in this State.

SECTION 3. Section 1 of this act becomes effective October 1, 2024, and applies to offers to purchase residential real estate accepted on or after that date. Section 2 of this act becomes effective July 1, 2024. The remainder of this act is effective when it becomes law.



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