REALTY **ONE** GROUP RESULTS

2026 EDITION · BUYERS AND SELLERS · NORTH CAROLINA

The Due Diligence *Period* & the *Fee*

The one window every North Carolina contract is built around — what it costs, how the clock runs, and exactly who keeps which money when things go sideways.

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WHAT'S INSIDE

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A note before you begin. This guide is education, not legal advice — it explains how North Carolina's standard forms generally work, not how your particular contract works. For anything specific, your closing attorney is the right call.

ONE — START HERE

North Carolina is *different.*

In most states, a buyer signs a stack of separate escape hatches — an inspection contingency, a financing contingency, an appraisal contingency — each with its own deadline and its own rules about who keeps the money. North Carolina collapses all of it into a single window.

That window is the **Due Diligence Period.** It is defined in Paragraph 1 of the Offer to Purchase and Contract (Standard Form 2-T), the form jointly published by NC REALTORS® and the North Carolina Bar Association that sits underneath nearly every residential sale in this state. Everything happens inside it: the inspections, the loan, the appraisal, the survey, the title search, the HOA documents, the repair negotiation. All of it.

In exchange for that window, the buyer pays the seller a **Due Diligence Fee** — a negotiated, non-refundable amount that buys the buyer the right to walk away for any reason at all, or for no reason, right up until the window closes.

THE CONCERN	MOST OTHER STATES	NORTH CAROLINA
Inspection	Its own contingency and deadline	Inside the one window
Financing	Its own contingency and deadline	Inside the one window — there is no loan contingency
Appraisal	Its own contingency, tied to the loan	Inside the one window — there is no appraisal contingency
Walking away	Only if you fit inside a specific contingency	Any reason or no reason, any time before the window closes
Earnest money	At risk if you step outside a contingency	Refunded if you terminate inside the window
Money you can't get back	Rare	The Due Diligence Fee, paid straight to the seller

> *It is a cleaner system when both sides understand it. It is an expensive one when either side doesn't.*

A note on paragraph numbers: NC REALTORS® revises these forms most years, and the lettering shifts when provisions move. This guide references paragraphs by number where they are stable and describes the provision in plain language everywhere else, so it stays useful even after the next revision. Your agent or attorney can point to the exact subparagraph in the version you actually signed.

The two checks, and why people confuse *them.*

Almost every argument we see during due diligence traces back to one thing: someone thought these two payments were the same payment. They are not remotely the same.

PAYMENT ONE

The Due Diligence Fee

Who holds it: The seller. Directly. It is not escrowed, not held by an attorney, not held by a brokerage. Once it changes hands, it is the seller's property.

When it's due: On the Effective Date of the contract.

What it buys: Your unilateral right to terminate for any reason or no reason during the window — and compensation to the seller for taking the home off the market while you decide.

If you close: It credits to you at closing, so it comes back as a reduction in what you owe.

If you terminate: The seller keeps it.

PAYMENT TWO

The Earnest Money Deposit

Who holds it: An escrow agent — typically the closing attorney or a brokerage trust account. Nobody spends it while it sits there.

When it's due: Within five days of the Effective Date, unless the contract says otherwise.

What it buys: Nothing, on its own. It is a good-faith deposit that shows the seller you intend to perform.

If you close: It credits to you at closing, same as the fee.

If you terminate inside the window: It comes back to you.

The sentence to memorize

Inside the window, you lose the fee and keep the earnest money. Outside the window, you can lose both. That single distinction is worth more than everything else in this guide.

Two more things worth knowing. First, a Due Diligence Fee is **optional** — the contract works with a fee of zero, and you still get a due diligence window if one is written in. In a competitive market, though, offering zero tells the seller something, and it is rarely the thing you want to say. Second, if the two of you end up in a genuine dispute over the earnest money, the escrow agent is not allowed to just pick a side. They can hold the money, or in some cases pay it into court, until you resolve it. That is a slow, expensive way to argue over a deposit — which is why getting the timing right matters so much.

How the clock *actually* runs.

More North Carolina buyers lose money to a calendar misunderstanding than to a bad inspection. Four rules govern the whole thing.

1. Day zero is the Effective Date — and it is later than you think

The Effective Date is not the day you signed. It is the date the last one of you signed or initialed the offer or the final counteroffer, **and** that signing was communicated back to the other side. Both halves have to happen. A signed contract sitting unsent in someone's outbox has not started your clock.

2. Days are calendar days, and the count starts tomorrow

"Days" in this contract means consecutive calendar days — Saturdays, Sundays, and every holiday, federal, state, local, or religious. Nothing pauses. And the count begins on the day following the day the triggering act happened. So a 21-day window on a contract effective the 1st does not end on the 21st.

3. It ends at 5:00 p.m. — and time is of the essence

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

4. Never leave the date blank

An end date left empty, or filled in with "N/A," creates a genuine mess — it can be read as an open-ended window, as no window at all, or as evidence that the two sides never agreed on an essential term in the first place. NC REALTORS® guidance is unambiguous: a specific date belongs in that blank, every time.

How to set your own deadline

Put the real deadline in your phone as **the day before** the window closes, at noon. Not 5:00 p.m. on the last day. Wires fail, inspectors reschedule, underwriters ask for one more document, and email goes to spam. Build the cushion into the reminder, not into your optimism.

What changed on *July 1, 2026.*

North Carolina's standard forms were revised effective July 1, 2026. If your contract was written on or after that date, these apply to you. Written before it? You are on the prior version.

A real grace period on the Due Diligence Fee

This is the headline change. 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** following the Effective Date before breach occurs. The 2026 form even adds a definition of "banking day" so the count is calculable rather than debatable.

What did not change: missing the payment still does not hand the seller an automatic right to terminate. The seller must first give written notice demanding payment within one banking day, using Form 355-T. Only if the buyer still doesn't pay may the seller terminate — and even then, the seller is not required to.

> WHY THIS EXISTS
>
> Wires sent late on a Friday. Holiday weekends. A bank that holds a transfer for review. Good buyers were losing contracts on banking mechanics that had nothing to do with their intent to buy. This change fixes that without letting anyone off the hook.

Sellers can now limit physical access when the fee hasn't been paid

A pattern had developed: a buyer goes under contract, never pays the fee, rushes inspections through in the first few days, then terminates before the seller can even demand payment. The seller ends up off the market with nothing. Revised Paragraph 8(c) gives the seller the **option** — not the obligation — to limit physical access until the fee is paid. It does not restrict the rest of due diligence: loan processing, title review, and ordering a survey all continue.

New government-reporting language

A new Paragraph 6(e) requires the buyer to provide information needed for governmental reporting where it applies. FinCEN reporting is the main driver, and it most often bites on purchases made through an LLC or a trust. Buying through an entity? Expect to be asked for beneficial-ownership information, and expect your attorney to want it early.

Buyer-agent compensation moved into the contract

Form 220 was redrafted from a standalone agreement into an addendum attached to the purchase contract, negotiated when the offer is negotiated rather than signed in advance at a listing appointment.

What you can actually *investigate.*

The contract's list is deliberately broad, and it is a floor, not a ceiling. You are entitled to conduct whatever tests, surveys, appraisals, examinations, and inspections you think the decision deserves — at your expense.

- **The loan.** Getting fully underwritten, not just pre-qualified. Remember: there is no financing contingency behind you.
- **Condition.** The general inspection plus anything it points to — drainage and moisture, asbestos, environmental contamination, wood-destroying insects, radon.
- **The documents.** HOA declarations, bylaws, rules, budgets, and financials. Also worth asking whether the association charges fees for the documents your lender will require.
- **Insurance.** Whether you can get a policy on this house, and what it costs. This one surprises people — an old roof or a certain electrical panel can make a home difficult or expensive to insure.
- **The appraisal.** Order it early. It is often the long pole in the tent.
- **The survey.** Boundaries, easements, setbacks, encroachments — and whether the home suits what you actually plan to do with it.
- **Zoning and compliance.** Current and proposed zoning, adjacent land uses, planned road construction, school attendance zones, and whether the property violates any law, ordinance, permit, or regulation.
- **Flood, wetlands, and water.** Flood hazards, riparian issues, and whether your lender will require flood insurance.
- **Utilities and access.** Availability, quality, and who maintains them — including stormwater and physical access to the property.
- **Streets and roads.** Public or private? If public, is it state- or municipally maintained? If private, who pays for it, under what agreement, and how funded? On rural Wilkes and High Country property this is a live issue, not a formality.
- **Special assessments.** Anything a government or an owners' association is currently considering.

Two limits worth knowing

The seller must give you reasonable access — including keeping the utilities on at their cost and de-winterizing if needed. But **invasive** testing (pulling up flooring, opening walls, digging) goes beyond "reasonable" and needs the seller's consent. And if your investigation damages the property, you have to repair it — that obligation survives even if you terminate.

What an NC inspection is — and what it *isn't.*

A North Carolina home inspection is a visual, non-invasive evaluation of a home's systems, performed by someone the state licenses to do it. Anyone inspecting a home for compensation in this state must hold a license from the NC Home Inspector Licensure Board.

Two features of the state rules are worth knowing before you hire anyone. Your inspector must give you a **written contract you sign before the inspection happens**, stating what is covered and what it costs. And for a pre-purchase inspection covering three or more systems, the written report must include a separate section labeled **"Summary"** flagging anything that doesn't function as intended or affects the home's habitability. That summary is not the inspector being helpful. It is required — and it is where your negotiation actually starts.

What it isn't: a pass/fail grade, a code-compliance review, a warranty, or a guarantee about anything hidden behind a wall. Inspectors observe what is readily visible and readily accessible. That is the deal, and it is why the specialty inspections below exist.

INSPECTION	TYPICAL 2026 COST	WHEN YOU WANT IT
General home inspection — to 2,500 sq ft	$425 – $525	Every purchase, including new construction
General — 2,500 to 4,000 sq ft	$525 – $650	Same
General — 4,000+ sq ft	$650 – $950	Same
Radon test (48-hour canister)	$125 – $175	Every NC home; western NC especially
Termite / wood-destroying insect report	$85 – $150	Required for VA; recommended for all
Sewer scope / camera	$225 – $375	Homes 30+ years old; mature tree cover
Well and septic	$350 – $550	Any home not on public water and sewer
Mold air-quality test	$275 – $450	Only if the inspector flags visible mold
Chimney / fireplace, level 2	$225 – $325	Any wood-burning fireplace

A full workup on a typical Triad home runs **$700 to $1,100**. On rural Wilkes or High Country property with a well, a septic system, and outbuildings, plan on **$1,200 to $1,800**. Spent against a purchase price with five or six figures of risk behind it, this is the least expensive money in the entire transaction.

What inspectors actually *find* — and how to read it.

Every house has something. The question is never whether the report is clean — it won't be — but whether what's in it is cosmetic, mechanical, structural, or a safety issue.

FINDING	HOW OFTEN	COST TO REMEDY
Water intrusion or drainage/grading issue	34%	$1,500 – $9,500
HVAC at end of life or needing major repair	28%	$4,500 – $12,000
Foundation cracks	26% cosmetic · 4% structural	$500 – $35,000+
Roof at or near end of useful life	22%	$8,500 – $22,000
Appliances not functioning as intended	19%	$500 – $3,500
Plumbing leaks, or polybutylene / galvanized pipe	18%	$1,200 – $18,000
Electrical panel outdated or hazardous	15%	$2,500 – $6,000
Radon above the EPA action level of 4.0 pCi/L	12% (higher in the west)	$900 – $1,800

Frequencies reflect our team's Triad, Wilkes, and High Country closing data for 2026. Your house is a sample size of one.

Read four sections, not eighty pages

- **The Summary.** The required two-to-four-page executive section at the front. If an item didn't make the summary, it generally isn't worth negotiating.
- **Safety and structural.** Electrical hazards, gas, unsafe stairs, foundation, load-bearing walls. These get fixed or you walk. They are not trading chips.
- **Major systems.** Roof, HVAC, plumbing, electrical, water heater — with approximate age and remaining life. An 18-year-old system has maybe three to five years left. Price accordingly.
- **Cosmetic and deferred maintenance.** Paint, caulk, a dead outlet in the garage. These are yours after closing. Put them on the request list and you will lose the items that actually matter.

Six findings that should make you *pause.*

These are the ones where the conversation shifts from "please repair this" to "renegotiate hard or walk away." Not because they can't be fixed — because of what fixing them costs, and what they suggest about everything you can't see.

Foundation displacement over 3/8 inch

A quarter-inch crack is ordinary settlement in North Carolina clay. Displacement past 3/8 inch suggests active movement, and structural repair can run $25,000 to $75,000. This is the one where you pay for a structural engineer before you decide anything.

An active roof leak with under five years of life left

You are looking at $10,000 to $25,000 inside the next 24 months. Either the seller replaces it before closing or the price reflects it. There is no third option that ends well.

Polybutylene plumbing

Gray plastic pipe installed roughly between 1978 and 1996 that fails without warning and often behind a wall. A full repipe runs $8,000 to $20,000 depending on the house. Insurers have opinions about it too.

A Federal Pacific or Zinsco electrical panel

Documented fire hazards. Replacement runs $2,500 to $5,000 — and increasingly, carriers simply decline to write a policy on a home that still has one, which turns a repair item into a financing problem.

Evidence of flooding that isn't on the disclosure

Water lines on basement walls, or drywall replaced only up to a certain height, on a home whose Residential Property Disclosure said there was no water intrusion. Now you have two problems, and the second one is about the disclosure itself. Involve your attorney.

A radon reading above 20 pCi/L

4.0 pCi/L is the EPA action level and mitigation is routine at $900 to $1,800. A reading above 20 is a different conversation — it points to serious air exchange through the crawl space or foundation, and it warrants understanding why before you price the fix.

Asking for *repairs.*

Start from the contract's actual position, because it is blunter than most buyers expect: unless the parties agree otherwise, the property is being sold in its current condition. The seller may negotiate repairs. The seller is not required to. They can say no to all of it, and then the decision is yours — close, or terminate.

That sounds harsh. In practice it is freeing, because it tells you exactly what you are doing: you are not enforcing a right, you are making a proposal. Proposals succeed on how they are built.

WHAT YOU FOUND	WHAT TO ASK FOR	ODDS OF A YES
Safety hazard — electrical, gas, structural	Full repair by a licensed contractor, with the receipt	85 – 95%
Termite or active WDI infestation	Treatment and bond, paid by seller	85 – 95%
Radon above 4.0 pCi/L	Mitigation system installed by seller	75 – 90%
Water intrusion, drainage, grading	Licensed repair with a one-year warranty	70 – 85%
Major system near end of life — roof, HVAC	Closing credit or seller replacement	60 – 75%
Old but functioning system	Don't request a repair — use it as price leverage	—
Cosmetic — paint, caulk, minor wear	Don't ask. These are yours after closing.	—

Three rules that decide the outcome

— **Send three to six items, not fifteen.** A seller looking at fifteen requests reads it as a renegotiation of the price and refuses the whole list. A seller looking at four serious items with contractor estimates attached usually agrees to most of them.

— **Attach numbers.** "The roof is old" is an opinion. A written estimate is a fact, and facts are what move sellers.

— **Leave time to finish.** Any agreement you reach is a written amendment both of you have to sign. Send requests early enough for a counter, a conversation, and a signature — all before the window closes. A repair negotiation that is still open at 4:00 p.m. on the last day is not a negotiation, it's a hostage situation, and you're the hostage.

One more, for both sides: closing constitutes acceptance of the property in its then-existing condition unless something is put in writing. Verify negotiated repairs before settlement — you have the right to — because after closing, the leverage is gone.

The money *map.*

Here is every common way a North Carolina contract ends, and who keeps which money in each one. This is the page to photograph and keep on your phone.

WHAT HAPPENS	DUE DILIGENCE FEE	EARNEST MONEY	NOTES
You close	Credited to buyer	Credited to buyer	Both come back as credit against what you owe
Buyer terminates inside the window	Seller keeps	Refunded to buyer	Any reason or no reason; written notice required
Buyer walks after the window closes	Seller keeps	Seller is entitled to it	Together these are the seller's liquidated damages — and 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
Buyer never got the Residential Property Disclosure before offering	Refunded to buyer	Refunded to buyer	Narrow, fast-closing window — see page 13
Property has an uncured legal violation	Refunded to buyer	Refunded to buyer	Buyer may instead accept it and close
Property isn't in substantially the same condition at closing	Refunded to buyer	Refunded to buyer	Reasonable wear and tear excepted
Buyer never pays the fee or the deposit	—	—	Seller must demand in writing first; then may terminate and pursue both

The expensive mistake, named plainly

A buyer lets the window expire while waiting on one more contractor quote, then decides to walk. That buyer has 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.**

Liquidated damages, in plain English: the parties agree in advance that these two amounts together are a fair stand-in for what a seller loses when a buyer breaches, so nobody has to prove actual damages in court. It also caps the seller's recovery — with narrow exceptions for property damage and dishonored funds.

When the fee *comes back.*

“The due diligence fee is non-refundable” is how everyone describes it, including most agents. It is nearly true — and the exceptions are worth real money, so here they are.

1. The seller materially breaches the contract

If the seller is the one who blows up the deal, the buyer gets the fee back along with the earnest money — plus reasonable costs actually incurred doing due diligence. Alternatively, the buyer can decline to terminate and ask a court to make the seller go through with the sale.

2. You never received the Residential Property Disclosure Statement

If a signed copy wasn’t delivered before you made your offer, you may terminate or withdraw without penalty — including a refund of the fee. But the window is short and closes fast: the earliest of three calendar days after you receive it, three calendar days after the Effective Date, or settlement/occupancy. Notice this can expire before your due diligence window even warms up.

3. You never received the Mineral and Oil and Gas Rights disclosure

Same right, same three-day structure, separate document. This matters more than it sounds in parts of Wilkes County and the High Country, where mineral or gas rights have sometimes been severed from the land by a prior owner. If severance has occurred, talk to a North Carolina attorney before you sign anything.

4. The property has a legal violation the seller doesn’t cure

The contract requires the property to be conveyed free of any material violation of law, ordinance, permit, or regulation — building, stormwater, impervious surface, environmental, zoning — unless the seller disclosed it before the Effective Date. If you establish a violation after that and the seller doesn’t fix it before closing, you may accept it and close, or terminate and get both the earnest money and the fee back.

5. The property isn’t in the condition it was when you offered

If the home isn’t in substantially the same or better condition at closing as it was on the date of your offer — reasonable wear and tear excepted — you may terminate and both the fee and the earnest money are refunded. This is the provision behind the final walk-through actually mattering.

And one more, by agreement

Addenda can create their own refund rights. Back-up contracts, short sales, FHA and VA financing, and new construction all carry their own termination language. If your deal has addenda attached, the answer to “do I get the fee back” lives in those pages too — not just in the main contract.

Extensions.

You can extend the due diligence window. You cannot extend it by yourself. It takes the seller's written agreement, and the seller is under no obligation whatsoever to give it.

The instrument is **Form 4-T, the Agreement to Amend Contract**, signed by both sides. A verbal "yeah, take a few more days" from a listing agent is not an extension. It will not protect your earnest money. Nothing counts until it is written and signed.

WHY YOU NEED MORE TIME	TYPICAL ADDED FEE	TYPICAL LENGTH
Lender processing delay	$0 – $500	3 – 7 days
Appraisal running behind	$0 – $500	5 – 10 days
Specialty inspection follow-up	$250 – $1,000	3 – 7 days
Gathering repair estimates	$250 – $1,000	3 – 7 days
Engineer review of a major issue	$500 – $2,500	7 – 14 days
Buyer needs more time to secure funds	$500 – $2,500+	7 – 14 days

How to ask so the answer is yes

— **Ask early.** A request on day 9 of a 21-day window reads as diligence. The same request at 3:00 p.m. on day 21 reads as a problem, and sellers price it that way.

— **Say exactly why, and exactly how long.** "The structural engineer's first opening is Thursday; we need seven days" beats "we need more time" every single time.

— **Offer something.** Additional fee money is the usual currency, and it goes straight to the seller. It is often the cheapest thing you'll buy all month.

— **Confirm the new date in writing, and re-set your reminders.** Extended deadlines get missed more often than original ones.

If you're the seller: extensions are negotiable, and you should treat them as such. You can grant a shorter extension than requested, condition it on additional fee money, or decline. Just decide deliberately — a buyer who is genuinely working the process is usually worth a few days, and a buyer who has done nothing for two weeks is telling you something.

THIRTEEN — THE NUMBER

Setting the fee, and the *length.*

There is no standard due diligence fee and no standard window. Both are entirely negotiable, and together they are the most underused lever in a North Carolina offer.

PRICE RANGE	TYPICAL TRIAD FEE, 2026	AS % OF PRICE
Under $250,000	$500 – $1,500	0.2% – 0.6%
$250,000 – $500,000	$1,500 – $3,500	0.4% – 0.8%
$500,000 – $850,000	$3,500 – $7,500	0.5% – 1.0%
$850,000 – $1.5 million	$7,500 – $18,000	0.7% – 1.4%
Above $1.5 million	$15,000 – $50,000+	1.0% – 3.0%, or by negotiation

Triad benchmarks. High Country and luxury second-home transactions frequently run above these; cash offers often trade a shorter window for a smaller fee.

IF YOU'RE BUYING

Buy time, then buy trust

Length first. Ask your lender — before you write — how long they actually need. Underwriting plus an appraisal in a busy season is not a 10-day exercise. Most Triad contracts land at 14 to 21 days for financed purchases; cash buyers often go 7 to 10 and use the speed as leverage.

Then the fee. Raising it is the strongest signal you can send short of raising the price — and unlike a price increase, it doesn't have to survive an appraisal. In a multiple-offer situation, a stronger fee has won more Triad houses than an extra $5,000 on the price.

Know your real exposure. Your fee is what you're risking if you walk. Choose a number you could lose without it changing your life.

IF YOU'RE SELLING

Read the fee as a signal

The fee tells you how serious they are. It is the one term in an offer that costs the buyer something the moment they write it. A thin fee on a long window is a buyer holding a free option on your house.

Weigh length against price. A slightly lower price with a 10-day window and a strong fee is often a better deal than full price with 30 days and $500 down.

Get inspected before you list. When the buyer's inspector finds what you already knew about, you respond with credibility. When they find what you didn't, you're negotiating from surprise. Preparation is the whole game.

The 21-day *playbook.*

Shift your window to fit — the order matters more than the exact days. The principle underneath it: front-load anything that depends on someone else's calendar.

DAY 0 – 1

Pay, order, apply

Deliver the due diligence fee. Get the earnest money to the escrow agent. Book the general inspection now — good inspectors book out. Submit your full loan application, not a pre-approval. Tell your lender your exact deadline date.

DAY 2 – 3

Read what you were given

Residential Property Disclosure and the Mineral/Oil/Gas disclosure — read them now, because your rights around those two documents can expire within three days. Send the HOA documents to whoever is going to actually read them. Order the appraisal.

DAY 4 – 7

Inspect, and inspect again

General inspection happens; attend if you can, even by video. Add radon, WDI, sewer scope, and well/septic as the property warrants. Engage your closing attorney and start the title search. Confirm you can insure the home, and at what cost.

DAY 8 – 12

Price the problems

Get contractor estimates on anything significant. Bring in a specialist — structural engineer, roofer, HVAC — where the general report says to. Watch for underwriting conditions and clear them the day they arrive.

DAY 13 – 16

Make the ask

Send three to six items with estimates attached. Leave the cosmetic list off. Expect a counter. If the appraisal or title turns up something, this is when you fold it into the conversation — not later.

DAY 17 – 19

Land it in writing

Get the repair agreement signed by both parties. Confirm with your lender in writing that you are clear to close. If anything is still open, this is when you ask for an extension — while there is still time for the seller to say yes.

DAY 20 – 21

Decide

Proceed, or deliver written termination before 5:00 p.m. on the final day. There is no third option and no grace period. If you're proceeding, you're done — the window closes and the transaction moves to settlement.

Cash purchase? Everything above still applies except the loan and appraisal steps — which is precisely why cash buyers can credibly offer a 7- to 10-day window and use it to win.

Terminating the *right* way.

If you're going to walk, walk properly. The difference between a clean termination and a messy one is measured in your earnest money.

Use the unilateral form

Termination during the due diligence window is done with **Form 350-T** — the notice from buyer to seller — or Form 351-T for vacant land. It requires only your signature, because your right to terminate during the window is unilateral. You do not need the seller's permission, and you do not owe them an explanation.

There is another form, 390-T, that terminates by mutual agreement. Avoid it here. It needs both signatures to be effective — so if the seller doesn't get around to signing before 5:00 p.m., an argument opens up about whether the contract was ever properly terminated, and your deposit is sitting in the middle of it.

Deliver it, and prove you delivered it

- In writing. Always.
- Delivered to the seller or the listing agent before **5:00 p.m.** on the last day of the window.
- To an address the contract actually lists for notices — the notice section exists for exactly this moment.
- Keep the timestamp. Email works, and the sent time is your proof.

Six mistakes that cost real money

Counting from the wrong day. The clock starts the day after the Effective Date — and the Effective Date isn't the day you signed.

Treating a verbal extension as an extension. It isn't one.

Scheduling the inspection for day 12. By the time the report arrives, you have no room to get estimates or negotiate.

Sending a fifteen-item repair list. You'll get nothing instead of most of it.

Assuming the lender's timeline is your timeline. There is no financing contingency. If your loan falls apart after the window closes, that is your problem, not the seller's.

Waiting until the last afternoon to decide. Every deadline in this contract is enforced literally.

Questions people actually *ask.*

How long should my due diligence period be?

There is no legal minimum or maximum — it's whatever you and the seller agree to. In the current Triad market, financed purchases typically land between 14 and 21 days; luxury and complex properties often run 30 or more; cash buyers frequently offer 7 to 10. Ask your lender before you pick a number.

Do I lose my earnest money if I terminate?

Not if you terminate in writing before the window closes. You forfeit the due diligence fee, which the seller already has. The earnest money comes back.

Is the due diligence fee ever refundable?

Usually not — but see page 13. Seller breach, a missing disclosure, an uncured legal violation, and a change in the property's condition can all bring it back.

Can I offer a $0 fee?

Yes, and the contract still works. Whether a seller accepts it is another matter, since you'd be asking them to hold their house off the market at no cost to you.

What if my loan falls through?

Inside the window, terminate and keep your earnest money. Outside it, you have a serious problem — there is no financing contingency in this contract. This is the single most common way North Carolina buyers lose money, and it's the reason your window has to be long enough for real underwriting, not just a pre-approval letter.

Can the seller keep showing the house while I'm under contract?

Sellers can and often do continue marketing and may accept a back-up offer using the Back-Up Contract Addendum. That back-up buyer doesn't move to first position unless your contract terminates — but it is a reasonable thing for a seller to have in place.

Can the seller terminate during my due diligence period?

Sellers have far fewer exits than buyers and no equivalent walk-for-any-reason right. A seller generally needs a specific contract breach, a right created by an addendum, or a mutual release. A seller who simply refuses to close risks being sued to complete the sale.

Do I need a lawyer during due diligence?

You'll have one regardless — North Carolina requires an attorney for closing. Bring them in early rather than at the end. During the window your closing attorney is running the title search and can advise on easements, covenants, and title problems, which is exactly when that advice is worth something.

What if we're still negotiating repairs when the window closes?

Then the window closes and you've lost your leverage. Get an extension in writing before that happens — or terminate. Those are the only two ways this ends well.

REALTY **ONE** GROUP RESULTS

Four days in and not sure what to do *next?*

One phone call gets you a straight answer — whether you're mid-window and worried, or looking at an offer and trying to figure out what fee to counter with.

CALL OR TEXT

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