



GENERAL INFORMATION AND NOTICE TO BUYERS AND SELLERS

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Be an informed seller or buyer. The following information may assist you during your real estate transaction.

ANNEXATION. If a property is outside the limits of a municipality, the buyer should be aware that the property may later be annexed by a nearby municipality. The buyer may find information on the boundaries of nearby municipalities by contacting the municipalities directly.

APPRAISAL. An appraisal is a valuation of the property. An appraiser renders an estimate of value as of a certain date under assumptions and conditions stated in the appraisal report. Typically, a buyer's lender requires an appraisal to verify that the loan is secured by property that is worth a certain amount. An appraisal is not the same as an inspection.

BROKERS. A real estate broker *represents* a party (buyer or seller) in a real estate transaction or may act as an intermediary between the parties. A party may work with the broker or with one of the broker's agents. Both a buyer and seller will be provided a form titled "Information About Brokerage Services" (TXR 2501) which defines agency relationships. An agent may help a seller market the property or help a buyer locate a property. The agent is obligated to *negotiate* the transaction and may assist in gathering information and may coordinate many details in the transaction. Brokers and agents are not inspectors. They do not possess the expertise to conduct inspections and therefore do not make any representations, warranties, or guarantees about a property's condition. Agents are not attorneys. Parties are encouraged to seek the assistance of an attorney to help in understanding any of the legal consequences and provisions of the contract or transaction.

ENVIRONMENTAL CONCERNS.

General. Over the years the market has identified environmental conditions that buyers should know may exist. Environmental hazards include, but are not limited to, conditions such as: asbestos, lead-based paint, mold, pesticides, radon gas, toxic waste, underground storage tanks, urea-formaldehyde insulation, and other pollutants. Wetlands or endangered species on the property may restrict the use of the property.

Environmental Inspections. If the buyer is concerned that environmental hazards, wetlands, or endangered species may be present on the property, the buyer should hire a qualified expert to inspect the property for such items. The parties may include a promulgated addendum (TXR 1917) in the contract that may address such matters.

Lead-Based Paint. If a property was built before 1978, federal law requires that the seller provide the buyer with: (1) the pamphlet titled "Protect Your Family from Lead in Your Home" (TXR 2511); (2) the records and reports the seller has concerning lead-based paint or hazards; and (3) an opportunity to have the property inspected for lead-based paint or hazards.

Mold. It is not uncommon to find mold spores in a property. The concern about mold increases when there are large amounts of mold found in a property. The Texas Department of Insurance publishes a document titled "Protect Your Home from Mold" (TXR 2507) which discusses mold in more detail.

Oak Wilt and Diseased Trees. There are diseases such as oak wilt and other conditions that may affect trees and other plants. Oak wilt is a fungus that affects certain oak trees. If the buyer is concerned about such matters, the buyer may have the trees and other plants inspected by a professional.

Noise. Surrounding properties are used for a variety of purposes. Some of the uses cause noise (for example, airports, railways, highways, restaurants, bars, schools, arenas and construction). The buyer is encouraged to drive to review the area around the property at various times and days.

EXPANSIVE SOILS. Soil conditions vary greatly throughout Texas. Many soils will move; some more than others. This movement will, many times, affect the foundation of homes and buildings and may cause cracks to appear in walls or other parts of the building. Additionally, if a property is newly constructed, the concrete curing process may also cause the foundation of the building to move. Seasonal changes in the moisture in the soil may also cause foundations to move. The buyer should check with an inspector and other experts on preventive methods to minimize the risk of such movement.

FIRPTA. The Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) may require buyers in certain transactions involving a seller who qualifies as a "foreign person" to withhold up to 15% of the amount realized by the seller (usually the sales price) for federal taxes. A "foreign person" is defined as a: (1) nonresident alien individual; (2) foreign corporation that has not made an election under section 897(i) of the Internal Revenue Code to be treated as a domestic corporation; or (3) foreign partnership, trust, or estate. The definition does not include a resident alien individual. A seller should notify the buyer whether the seller is a "foreign person" as defined by federal law. If the seller is unsure whether he or she qualifies as a "foreign person", the seller should consult a tax professional or an attorney.

FLOOD HAZARD, FLOODWAYS, AND FLOOD INSURANCE. Many properties are in flood hazard areas. Lenders who make loans on properties located in special flood hazard areas typically require the owner to maintain flood insurance. Additionally, some properties may lie in the floodway. Texas REALTORS® publishes a form titled, "Information about Special Flood Hazard Areas" (TXR 1414), which discusses flood hazard areas and floodways in more detail. The buyer is encouraged to buy flood insurance regardless of whether the property is in a high, moderate, or low risk flood area.

HISTORIC OR CONSERVATION DISTRICTS. Properties located in historic or conservation districts may have restrictions on use and architecture of the properties. Local governments may create historic or conservation districts for the preservation of certain architectural appeal. A property owner may or may not be aware if the property is located in such a district. If the buyer is concerned whether the property is located in such a district, contact the local government for specific information.

INSPECTION, REPAIRS, & WALK-THROUGH.

Inspections. The buyer is encouraged to have the property inspected by licensed inspectors. The buyer should have the inspections completed during any option period. The buyer should accompany the inspectors during the inspections and ask the inspectors any questions. Brokers and agents do not possess any special skills, knowledge or expertise concerning inspections or repairs. If the buyer requests names of inspectors or repair professionals from an agent, the buyer should note that the agent is not making any representation or warranty as to the ability or workmanship of the inspector or repair professionals.

Repairs. The buyer and the seller should resolve, in writing, any obligation and any timing of the obligation to complete repairs the buyer may request before the option period expires.

Walk-Through. Before the close of the sale, the buyer should walk through the property and verify that any repairs are complete. If the condition of the property does not satisfy the contractual provisions, the buyer should notify the buyer's agent before closing.

MANDATORY OWNERS' ASSOCIATIONS. An owners' association may require a property owner to be a member. The buyer may obtain subdivision information (the restrictions applying to the subdivision, the bylaws and rules of the owners' association, and a resale certificate). The buyer may be required to pay for the subdivision information unless otherwise negotiated in the contract. If membership in an owners' association is required, the buyer will probably be obligated to pay periodic dues or assessments. Failure to pay such dues could result in a lien on and foreclosure of the property.

MINERAL INTERESTS. Determining who owns the mineral interests under a property (for example, rights to oil and gas interests) normally requires an expert to review the chain of title to the property. Many times the mineral interests may have been severed from the property and may be owned by persons other than the seller. Contract forms commonly used in Texas provide that the seller's interest, if any, in the mineral interests convey to the buyer as part of the property. However, a seller may wish to retain all or part of the mineral interests. Texas REALTORS® publishes a form titled "Information about Mineral Clauses in Contract Forms" (TXR 2509) which discusses this issue in more detail.

MULTIPLE LISTING SERVICE. The Multiple Listing Service (MLS) is a database and cooperative tool between brokers. Agents who use the MLS must comply with the MLS's rules. The listing agent is required to timely report the current status of a listing, including when the property is sold or leased or is no longer available, as well as the sales price. Subscribers (other brokers, agents, appraisers, and other real estate professionals) and appraisal districts have access to the information for market evaluation purposes. Much of the information in the MLS, such as square footage, assessed value, taxes, school boundaries, and year built is obtained from different sources such as the county appraisal district, an appraiser, or builder. The broker or agent who provides information from the MLS does not verify the accuracy of the information. The buyer should independently verify the information in the MLS and not rely on the information.

PERMITS. Permits may be required to construct, alter, repair, or improve the property. The buyer is encouraged to contact the local government to verify that all required permits have been obtained, as this may impact future plans for the property.

POSSESSION. Most contracts provide that the seller will deliver possession of the property to the buyer at the time the sale closes and funds or according to a temporary residential lease or other written lease required by the parties. There may be a short delay between closing and actual funding; especially if the buyer is obtaining funds from a lender. The buyer may need to verify with the lender if the loan will fund on the day of closing. The buyer should also take this potential delay into account when planning the move into the property. Any possession by the buyer before the sale closes and funds (or by the seller after the sale closes and funds) must be authorized by a written lease.

PROPERTY INSURANCE. Promptly after entering into a contract to buy a property and before any option period expires, the buyer should contact an insurance agent to determine the availability and affordability of insurance for the property. There are numerous variables that an insurance company will evaluate when offering insurance at certain coverage levels and at certain prices. Most lenders require that the property be insured in an amount not less than the loan amount. The failure to obtain property insurance before closing may delay the transaction or cause it to end. Texas REALTORS® publishes a document titled, "Information about Property Insurance for a Buyer or Seller" (TXR 2508), which discusses property insurance in more detail.

PROPERTY VALUES. The real estate market is cyclical and current property values may fluctuate. Brokers and agents cannot guarantee desired future market conditions or property values. The ultimate decision on the price and terms a Buyer is willing to buy and a Seller is willing to sell for a specific property rests solely with that Buyer and Seller.

RESIDENTIAL SERVICE CONTRACTS. A residential service contract is a product under which a residential service company, for an annual fee, agrees to repair or replace certain equipment or items in a property (for example, covered appliances, air conditioning and heating systems, and plumbing systems). Co-payments typically apply to most service calls. If the buyer requests names of residential service companies from an agent, the buyer should note that the agent is not making any representation or warranty about the service company.

RESTRICTIONS ON PROPERTY NEAR AN INTERNATIONAL BORDER. Be aware that in certain counties located near an international border, Texas law may prohibit the sale of property lacking required water and sewer services. Even if a sale of such property is permitted, a buyer may face additional costs or restrictions under Texas law due to a lack of basic infrastructure (water, sewer, roads, and drainage). Texas REALTORS® publishes a form titled, "Information Regarding Property Near an International Border" (TXR 2519), which provides more information. Brokers and agents cannot guarantee that a sale of the property is permitted under Texas law or otherwise give legal advice. Consult an attorney.

SCHOOL BOUNDARIES. School boundaries may change and are, at times, difficult to determine. The school boundaries that an agent may provide or that may be provided through a Multiple Listing Service are only mapped estimates from other sources. The buyer is encouraged to verify with the school district which schools residents in the property will attend.

SEPTIC TANKS AND ON-SITE SEWER FACILITIES. Many properties have septic tanks or other on-site sewer facilities. There are several types of such systems. Special maintenance requirements may apply to certain systems. Please refer to a document titled, "Information about On-Site Sewer Facility" (TXR 1407) for more information. The buyer should also determine if the county requires any registration or other action to begin using the septic system or on-site sewer facility.

SEX OFFENDERS AND CRIMINAL ACTIVITY. Neither a seller nor a seller's agent of a residential property has a duty to disclose any information about registered sex offenders. If the buyer is concerned about sex offenders who may reside in the area, access <https://publicsite.dps.texas.gov/SexOffenderRegistry>. Contact the local police department to obtain information about any criminal activity in the area.

SQUARE FOOTAGE. If the purchase price is based on the size of the property's building and structures, the buyer should have any information the buyer receives about the square footage independently verified. Square footage information comes from other sources such as appraisal districts, appraisers, and builders. Such information is only an estimate. The actual square footage may vary.

STATUTORY TAX DISTRICTS. The property may be located in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services (for example a Municipal Utility District, Water Improvement District, or a Public Improvement District). The buyer is likely to receive a prescribed notice when buying property in such a district.

SURVEILLANCE. Be aware that when viewing a property, a seller might record or otherwise electronically monitor a buyer without the buyer's knowledge or consent, and a buyer might photograph or otherwise record the property without the seller's knowledge or consent. The parties should consult an attorney before recording or photographing another person or property.

SURVEY. A survey identifies the location of boundaries, major improvements, fence lines, drives, encroachments, easements, and other items on the property. The buyer should obtain a survey early enough in the transaction to help the buyer identify any encroachments, encumbrances to title, or restrictions. The contract will typically contain a provision which identifies who is responsible for providing a survey and the right to object to encumbrances to title disclosed in the survey.

SYNTHETIC STUCCO. Synthetic stucco (sometimes known as EIFS) is an exterior siding product that was placed on some properties in the recent past. If the product was not properly installed, it has been known to cause damage to the structure (such as wood rot and moisture). If the property has synthetic stucco, the buyer should ask an inspector to carefully inspect the siding and answer any questions.

TAX PRORATIONS. Typically, a buyer and seller agree to prorate a property's taxes through the closing date. Property taxes are due and payable at the end of each calendar year. The escrow agent will estimate, at closing, the taxes for the current year. If the seller is qualified for tax exemptions (for example, homestead, agricultural, or over-65 exemption), such exemptions may or may not apply after closing. After closing the taxes may increase because the exemptions may no longer apply. When buying new construction, the taxes at closing may be prorated based on the land value only and will later increase when the appraisal district includes the value of the new improvements. The actual taxes due, therefore, at the end of the year and in subsequent years may be different from the estimates used at closing.

TERMINATION OPTION. Most contract forms contain an option clause which provides the buyer with an unrestricted right to terminate the contract. Most buyers choose to buy the termination option. The buyer will be required to pay for the termination option in advance. The option fee is negotiable. Most buyers will conduct many of their reviews, inspections, and other due diligence during the option period. The buyer must strictly comply with the time period under the option. The option period is not suspended or extended if the buyer and the seller negotiate repairs or an amendment. If the buyer wants to extend the option period, the buyer must negotiate an extension separately, obtain the extension in writing, and pay an additional fee for the extension. The buyer should not rely on any oral extensions.

TIDE WATERS. If the property adjoins any of the state's tidal waters, the seller will provide the buyer with a prescribed notice titled, "Addendum for Coastal Area Notice" (TXR 1915). Boundaries of properties along such waters may change and building restrictions will apply. If the property is located seaward of the Gulf Intracoastal Waterway, the seller will provide the buyer with a prescribed notice titled, "Addendum for Property Located Seaward of the Gulf Intracoastal Waterway" (TXR 1916).

TITLE INSURANCE OR ABSTRACT OF TITLE. The buyer should obtain a title insurance policy or have an abstract of title covering the property examined by an attorney. If the buyer obtains a title insurance policy, the buyer should have the commitment of title insurance reviewed by an attorney not later than the time required under the contract.

UTILITIES. The buyer should evaluate what utilities the buyer will require and check to be sure that the utilities available in the area suit the buyer's needs. Some structures may or may not have utilities and electrical facilities to support many modern appliances or equipment.

WATER LEVEL FLUCTUATIONS. State law requires the seller to notify a buyer of a property that adjoins a lake, reservoir, or other impoundment of water with a storage capacity of at least 5,000 acre-feet at its normal operating level that the water level may fluctuate. The buyer and seller can find a list of lakes and reservoirs with at least 5,000 acre-feet storage capacity by accessing <http://texasalmanac.com/topics/environment/lakes-and-reservoirs>.

WATER WELLS. If the property has a water well, the buyer should have, and the lender may require, the equipment inspected and water tested. The buyer should also determine if the county requires any registration or other action to begin using the water well.

WIRE FRAUD. Criminals are targeting real estate transactions by gaining access to electronic communications or sending emails that appear to be from a real estate agent, a title company, lender, or another trusted source. Refrain from transmitting personal information, such as bank account numbers or other financial information, via unsecured email or other electronic communication. If the buyer receives any electronic communication regarding wiring instructions, even if the communication appears to come from a legitimate source, the buyer should verify its authenticity prior to the transfer of funds in person or via phone call using a recognized phone number that is not found in the communication.

OTHER. 1. Buyers are encouraged to have the stucco inspected (whether masonry or synthetic); 2. Flood insurance premiums vary and are subject to increase. Buyers should consult with a flood insurance carrier to ensure affordable coverage is available; 3. Buyers purchasing property in the 100 and 500 year floodplains with the intent of building a structure or remodeling an existing structure should consult Chapter 19, City of Houston Code of Ordinances relating to floodplains.

This form was provided by:

By signing below I acknowledge that I received, read, and understand this information and notice.

Broker's Printed Name

Buyer Date

By: _____
Broker's Associate's Signature Date

Buyer Date



TEXAS ASSOCIATION OF REALTORS®

INFORMATION ABOUT SPECIAL FLOOD HAZARD AREAS

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CONCERNING THE PROPERTY AT _____

A. FLOOD AREAS:

- (1) The Federal Emergency Management Agency (FEMA) designates areas that have a high risk of flooding as special flood hazard areas.
- (2) A property that is in a special flood hazard area lies in a "V-Zone" or "A-Zone" as noted on flood insurance rate maps. Both V-Zone and A-Zone areas are areas with high risk of flooding.
- (3) Some properties may also lie in the "floodway" which is the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge a flood under FEMA rules. Communities must regulate development in these floodways.

B. AVAILABILITY OF FLOOD INSURANCE:

- (1) Generally, flood insurance is available regardless of whether the property is located in or out of a special flood hazard area. Contact your insurance agent to determine if any limitations or restrictions apply to the property in which you are interested.
- (2) FEMA encourages every property owner to purchase flood insurance regardless of whether the property is in a high, moderate, or low risk flood area.
- (3) A homeowner may obtain flood insurance coverage (up to certain limits) through the National Flood Insurance Program. Supplemental coverage is available through private insurance carriers.
- (4) A mortgage lender making a federally related mortgage will require the borrower to maintain flood insurance if the property is in a special flood hazard area.

C. GROUND FLOOR REQUIREMENTS:

- (1) Many homes in special flood hazard areas are built-up or are elevated. In elevated homes the ground floor typically lies below the base flood elevation and the first floor is elevated on piers, columns, posts, or piles. The base flood elevation is the highest level at which a flood is likely to occur as shown on flood insurance rate maps.
- (2) Federal, state, county, and city regulations:
 - (a) restrict the use and construction of any ground floor enclosures in elevated homes that are in special flood hazard areas.
 - (b) may prohibit or restrict the remodeling, rebuilding, and redevelopment of property and improvements in the floodway.
- (3) The first floor of all homes must now be built above the base flood elevation.
 - (a) Older homes may have been built in compliance with applicable regulations at the time of construction and may have first floors that lie below the base flood elevation, but flood insurance rates for such homes may be significant.

(b) It is possible that modifications were made to a ground floor enclosure after a home was first built. The modifications may or may not comply with applicable regulations and may or may not affect flood insurance rates.

(c) It is important for a buyer to determine if the first floor of a home is elevated at or above the base flood elevation. It is also important for a buyer to determine if the property lies in a floodway.

(4) Ground floor enclosures that lie below the base flood elevation may be used only for: (i) parking; (ii) storage; and (iii) building access. Plumbing, mechanical, or electrical items in ground floor enclosures that lie below the base flood elevation may be prohibited or restricted and may not be eligible for flood insurance coverage. Additionally:

(a) in A-Zones, the ground floor enclosures below the base flood elevation must have flow-through vents or openings that permit the automatic entry and exit of floodwaters:

(b) in V-Zones, the ground floor enclosures must have break-away walls, screening, or lattice walls; and

(c) in floodways, the remodeling or reconstruction of any improvements may be prohibited or otherwise restricted.

D. COMPLIANCE:

(1) The above-referenced property may or may not comply with regulations affecting ground floor enclosures below the base flood elevation.

(2) A property owner's eligibility to purchase or maintain flood insurance, as well as the cost of the flood insurance, is dependent on whether the property complies with the regulations affecting ground floor enclosures.

(3) A purchaser or property owner may be required to remove or modify a ground floor enclosure that is not in compliance with city or county building requirements or is not entitled to an exemption from such requirements.

(4) A flood insurance policy maintained by the current property owner does not mean that the property is in compliance with the regulations affecting ground floor enclosures or that the buyer will be able to continue to maintain flood insurance at the same rate.

(5) Insurance carriers calculate the cost of flood insurance using a rate that is based on the elevation of the lowest floor.

(a) If the ground floor lies below the base flood elevation and does not meet federal, state, county, and city requirements, the ground floor will be the lowest floor for the purpose of computing the rate.

(b) If the property is in compliance, the first elevated floor will be the lowest floor and the insurance rate will be significantly less than the rate for a property that is not in compliance.

(c) If the property lies in a V-Zone the flood insurance rate will be impacted if a ground floor enclosure below the base flood elevation exceeds 299 square feet (even if constructed with break-away walls).

E. ELEVATION CERTIFICATE:

The elevation certificate is an important tool in determining flood insurance rates. It is used to provide elevation information that is necessary to ensure compliance with floodplain management laws. To determine the proper insurance premium rate, insurers rely on an elevation certificate to certify building elevations at an acceptable level above flood map levels. If available in your area, it is recommended that you obtain an elevation certificate for the property as soon as possible to accurately determine future flood insurance rates.

You are encouraged to: (1) inspect the property for all purposes, including compliance with any ground floor enclosure requirement; (2) review the flood insurance policy (costs and coverage) with your insurance agent; and (3) contact the building permitting authority if you have any questions about building requirements or compliance issues.

Receipt acknowledged by:

Signature Date

Signature Date



INFORMATION ABOUT PROPERTY INSURANCE FOR A BUYER OR SELLER

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A. The availability and the affordability of property insurance may affect both the buyer and the seller.

Typically a buyer will seek to insure the property. Most mortgage lenders require that the property be insured in an amount not less than the loan amount. The failure to obtain property insurance at or before closing may delay the transaction or cause it to end, either of which can impose both inconvenience and cost to both the buyer and the seller.

B. There are a number of factors that affect the availability and affordability of insurance.

- (1) The level of coverage will significantly affect the cost of insurance. There are several levels of insurance coverage. For example:
 - (a) a policy may cover the replacement cost of the improvements and the replacement cost of many personal items in the property in the event of most casualties;
 - (b) a policy may cover only the cash value of the improvements and exclude many casualties; or
 - (c) a policy may cover casualties and costs between the two noted extremes under (a) and (b).
- (2) Coverage levels and prices vary from company to company. There are many insurance companies conducting business in Texas who offer a variety of insurance products at various prices.
 - (a) One insurance company may refuse to insure a particular property or person while another insurance company may elect to do so.
 - (b) One insurance company may charge a significantly lower premium than another insurance company for the same or similar coverage.
 - (c) Generally, each insurance company has specific guidelines by which it prices its insurance policies. The following are examples of criteria that an insurance company may use in evaluating an application for insurance. The criteria vary from company to company.
 - (1) Past claims filed against the property to be insured in the 5 years preceding the application.
 - (2) Past claims filed by the applicant to be insured in the 5 years preceding the application.
 - (3) The applicant's insurance credit score.
 - (4) The past relationship between the insurance company and the applicant.
 - (5) The physical characteristics of the property such as condition, age, location, or construction materials.

C. Most insurance companies participate in the Comprehensive Loss Underwriting Exchange (CLUE) and obtain a CLUE report to evaluate the claims history of the property and the applicant.

- (1) Most insurance companies contribute information about claims to an insurance industry database known as CLUE (a registered trademark of Equifax, Inc.). An insurance company obtains a CLUE report when evaluating an application for insurance.
- (2) A CLUE report contains information about the claims history of the property and of the applicant for insurance.
 - (a) The CLUE report contains only data and does not inform the buyer or seller whether insurance is or is not available or at what cost.
 - (b) Insurance companies use the CLUE report in different ways.
 - (c) It is best to speak with an insurance agent with respect to how the information in a particular CLUE report affects the affordability and availability of insurance.
- (3) While CLUE reports are generally accurate, there may be errors in the reports.

- (a) An event may be listed as a claim even though the insurance company did not pay any proceeds (for example, the cost of repair did not exceed the deductible or an inquiry may be incorrectly classified as a claim).
 - (b) Federal law permits a person to challenge inaccurate information. One may contact the administrator of the CLUE report (Lexis-Nexis) to correct information in a CLUE report.
 - (3) A property owner may, for a fee, obtain the CLUE report on his or her property through companies such as Lexis-Nexis (<https://personalreports.lexisnexis.com>, 1-866-312-9076), A-Plus (800-709-8842) or other companies, most of whose services are accessible via the Internet. An owner may also contact the Equifax Insurance Consumer Center at 800-456-6004.
- D. Promptly after entering into a contract to buy a property in Texas, the buyer should take the following steps to avoid delays in closing and to avoid additional costs.**

If the buyer has the option to terminate the contract, the buyer should make sure that the buyer and the Insurance agent have completed the following steps before the option expires.

- (1) Contact one or more insurance agents.
 - (a) The buyer should discuss the various levels of coverage with an insurance agent and ask questions that are necessary so the buyer understands the levels of available coverage.
 - (b) Insurance agents can provide applicants with written summaries of the various coverage levels.
 - (c) Basic summaries are available at the websites noted in Paragraph E.
 - (2) **Submit an application** for insurance with the insurance agent of the buyer's choice.
 - (a) Applying for insurance promptly after entering into a contract to buy a property helps avoid surprises or delays in closing the transaction.
 - (b) Prompt application permits the buyer time to evaluate various coverage levels and prices.
 - (c) Delaying the application for insurance may limit opportunities to obtain the most suitable coverage and may limit opportunities to address any unforeseen problems or delays in obtaining coverage.
 - (d) In recent years, many transactions have been delayed or terminated because of problems associated with obtaining insurance.
 - (3) Ask for written confirmation from the insurance agent that the Insurance company:
 - (a) has received the application;
 - (b) has reviewed the applicant's CLUE report; and
 - (c) has conducted all necessary reviews to issue a policy at the particular price quoted (some insurance companies may ask for specific information or may wish to inspect the property).
 - (4) Verify that the insurance coverage the buyer chooses is acceptable to the buyer's lender.
- E. If one is not able to obtain insurance at a reasonable price or more information is needed, contact the Texas Department of Insurance (www.helpinsure.com or www.tdi.state.tx.us).**

Receipt acknowledged by:

Signature

Signature

PROTECT YOURSELF FROM CYBER-FRAUD

Cybercrime is rampant, on the rise, and poses a serious threat to title companies, the financial industry, real estate brokerages, and their collective clients and customers.

PREVENTION TIPS:

1. WIRE INSTRUCTIONS:

- a. ALWAYS confirm wire instructions by phone using an independently obtained phone number (do NOT use the phone number contained in any wire instruction email and do NOT confirm by replying to an email). NEVER wire money without first calling the title company.
- b. Once wire is sent, immediately CALL title company to confirm receipt.
- c. Last-minute changes to wire instructions are usually fraudulent.
- d. Requests for money before closing are usually fraudulent.
- e. Requests for information about the parties or transaction details usually are fraudulent.

2. CYBER HYGIENE:

- a. NEVER identify the title company in any electronic communication.
- b. Use 2-factor authentication, especially when using public domain email systems such as yahoo and gmail. Set a new and strong password at beginning of your transaction. Safeguard your passwords.
- c. Avoid using public or unsecured Wi-Fi.
- d. Review headers and domain names in the "from" and "reply" fields of emails and hover over the name/email ip address to ensure the sender's email address is legitimate.
- e. Never email personal, private, financial, or account information.
- f. Never click on unknown attachments or links in an email.
- g. Manage your devices, especially if you share them with others or children.
- h. Sharing too much on social media can make you a target.

3. **CASHIER'S CHECKS:** Close your transaction using cashier's checks. Wiring money is not required.

WIRE FRAUD RESPONSE PLAN:

1. Notify the bank or lending institution immediately and request the wire be stopped. Have the bank call the lending institution where the fraudulent transfer was sent.
2. Notify the title company and real estate broker.
3. Notify the FBI at www.ic3.gov/default.aspx
4. MOVE QUICKLY!

Dated: _____, 20____

Buyer/Tenant/Seller/Landlord Initials _____

(This notice is to be furnished to a prospective buyer/tenant at such time as broker begins assisting buyer/tenant to locate a property.)

BROKER NOTICE TO BUYER/TENANT

As a prospective buyer/tenant, you should know that the listing and cooperating ("selling") brokers and any broker representing you as a buyer's/tenant's broker, possess no special skills, knowledge or expertise concerning the physical or environmental condition of the property or properties introduced to you nor do they represent themselves to be such experts, and, therefore, make no representations, warranties or guaranties regarding the physical or environmental condition of any such property.

Environmental Hazards/Inspection

As the result of concerns regarding environmental hazards (including, but not limited to, asbestos, lead-based paint, mold, urea formaldehyde insulation, radon gas, PCB transformers, underground storage tanks, electromagnetic fields, hazardous or toxic waste and materials, ammonium compounds, solvents, pesticides, acids, DDT, and any other substance on or about the property or forming a component part of the improvements which has heretofore or may in the future be determined to contain toxic or hazardous materials or undesirable substance injurious to the health of occupants of a property), it is recommended that you retain the services of a qualified expert of your choice to inspect and test for the presence of environmental hazards on or about the property as part of the contract between seller and buyer in a sale transaction or a lease between landlord and tenant, if desired. Buyer/Tenant shall be solely responsible for retaining the services of such expert, if any.

Physical Condition/Inspection

You are advised that you should thoroughly inspect the property and have the physical condition of the property inspected by persons of your choice who are licensed as inspectors by the Texas Real Estate Commission or otherwise permitted by law to perform inspections and take whatever other action you deem necessary or appropriate as part of the contract between seller and buyer in a sale transaction or a lease between landlord and tenant. If you request broker to furnish a list of inspectors and/or repairmen, broker is not making any representations or warranties as to the capabilities or workmanship of such persons. You are advised to accompany the inspectors during their inspection of the property and to ask any questions you may have regarding the property. You are advised to walk through and visibly inspect the property immediately prior to the closing in a sale transaction or occupancy in a lease transaction. In the event the condition of the property is not then in accordance with the contract/lease, you should immediately inform the below-named Broker.

MLS/CIE Information

Information contained in the Multiple Listing Service (MLS) or Commercial Information Exchange (CIE) of Houston Realtors Information Service, Inc. ("HRIS"), a subsidiary of Houston Association of REALTORS, Inc., is furnished by (1) MLS, and CIE participants who acquire the information from sources such as owners of listed properties, appraisers, and builders, and (2) county appraisal districts and tax services. The information is disseminated to MLS and CIE participants for their exclusive use and display to their clients and customers. Certain information in MLS and CIE such as square footage, assessed value, taxes, and year built is obtained from either the county appraisal district, an appraiser or builder. Neither the listing Broker, Broker displaying the information to you, HRIS, MLS, nor CIE represents or verifies the accuracy of the information. You should not rely upon any information contained in MLS and CIE and you should independently verify such information. You are further advised that MLS rules require the listing Broker of a sold/leased property to submit all information the MLS requires for participation, including the sales price/rent of a property purchased/leased by you.

Selling Broker or buyer's/tenant's broker, if any, shall furnish Listing Broker with a signed copy of this notice at the time the contract/lease is submitted.

I certify that I have provided the Prospective Buyer/Tenant named herein with a copy of this "Broker Notice to Buyer/Tenant."

I have received, read and understand the information in this "Broker Notice to Buyer/Tenant."

_____	_____
Date	Buyer/Tenant Name
_____	_____
Broker/Sales Agent Name	Signature
_____	_____
Signature	Buyer/Tenant Name
_____	_____
Company	Signature
_____	_____
Address	Address
_____	_____
Phone	Phone



Notice of Regulations for Construction or Remodel in a Floodplain

The purpose of this document is to make you aware of regulations that might affect your search, purchase and eventual use of a property. It is your obligation to gain knowledge and understanding as to how these regulations apply, if at all, to any property you are considering.

Planning to buy a residential lot or structure to **build or remodel** in the future? Take note that:

- The City of Houston as well as Harris County, as a result of Hurricane Harvey, have passed regulations impacting the 100-year and 500-year floodplains, which are subject to change over time based on the best available flood risk data;
- Building a new home, substantially remodeling a structure, or repairing substantial damage to an existing structure located in a 100-year floodplain or in a 500-year floodplain is subject to these regulations;
- Essentially, the finished or first floor will need a height minimum of two feet above the 500-year floodplain;
- Knowing at what level or height that the 500-year floodplain crosses a property, if at all, is key to any future development plans; and
- Please visit the Floodplain Management Office at www.publicworks.houstontx.gov/floodplain.html if planning to build or remodel in the City of Houston, or www.eng.hctx.net if planning to build or remodel in Harris County (not within the City of Houston).

Buyer

Date

Buyer

Date