

IMPORTANCE OF INSPECTIONS AND PROPERTY SURVEY

1 Name of Buyer(s) _____
2 Property Address _____

3 I. HOME INSPECTION

- 4 1. **WHY A BUYER NEEDS A HOME INSPECTION.** A home inspection gives the Buyer more detailed information
5 about the overall condition of the home prior to purchase. In a home inspection, a licensed inspector takes an in-
6 depth, unbiased look at your potential new home to:
- 7 a. Evaluate the physical condition: structure, construction, and mechanical systems.
 - 8 b. Identify items that need to be repaired or replaced.
 - 9 c. Estimate the remaining useful life of the major systems, equipment, structure, and finishes.
- 10 2. **APPRAISALS ARE DIFFERENT FROM HOME INSPECTIONS.** An appraisal is different from a home
11 inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required for three reasons:
- 12 a. To estimate the market value of a house.
 - 13 b. To make sure that the house meets Lender minimum property standards/requirements.
 - 14 c. To make sure that the house is marketable.
- 15 3. **LENDER DOES NOT GUARANTEE THE CONDITION OF YOUR POTENTIAL NEW HOME.** If you find
16 problems with your new home after closing, the Lender cannot give or lend you money for repairs, and the Lender
17 cannot buy the home back from you.
- 18 4. **BE AN INFORMED BUYER.** It is your responsibility to be an informed buyer. Be sure that what you buy is
19 satisfactory in every respect. You have the right to carefully examine your potential new home with a licensed home
20 inspector. You may arrange to do so before signing your agreement, or you may do so after signing the agreement as
21 long as the agreement states that the sale of the home is contingent on the inspection.

22 II. WOOD DESTROYING INSECT INFESTATION INSPECTION

- 23 1. **WHY A BUYER NEEDS A WOOD DESTROYING INSECT INFESTATION INSPECTION.** A wood
24 destroying insect infestation inspection performed by a licensed, professional pest control company determines the
25 presence of wood destroying insects and examines the property for any potential damage from such. Some Lenders
26 may require a wood destroying insect infestation report be completed.
- 27 2. **BE AN INFORMED BUYER.** It is your responsibility to be an informed buyer. Be sure that what you buy is
28 satisfactory in every respect. You have the right to hire a licensed pest control company to determine the presence of
29 wood destroying insects and any damage from such. You may arrange to do so before signing an agreement, or you
30 may do so after signing the agreement as long as the agreement states that the sale of the home is contingent on the
31 inspection.

32 III. PROPERTY SURVEY

- 33 1. **WHY A BUYER NEEDS A SURVEY.** A survey gives the Buyer specific information concerning the boundary
34 lines of the property prior to purchase. A licensed surveyor can provide the following services which may be beneficial
35 to you as a buyer in this transaction:
- 36 a. To establish boundary lines on a parcel of land at the time of subdividing the property;
 - 37 b. Properly representing boundary lines as part of a General Property Survey;
 - 38 c. Identify potential issues associated with a piece of property in the form of encroachments, setback violations,
39 easements, etc.

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- d. Prepare an accurate property description which shall become part of the deed of transfer; and
- e. Identify whether roads are public or private.

2. **SURVEYS ARE DIFFERENT FROM OTHER INSPECTIONS.** A survey is different from a home inspection and an appraisal. A survey represents the boundary lines for the property and potential issues associated with the property. Neither a home inspection nor an appraisal can do this. A home inspection provides a report on the condition of the improvements on the property. An appraisal determines the value of the property. In order to ensure that you know exactly how much land you are purchasing and conditions associated with the property boundaries, you should have a survey done.
3. **BE AN INFORMED BUYER.** It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new property with a licensed surveyor. You may arrange to do so before signing your agreement, or you may do so after signing the agreement as long as the agreement states that the sale of the home is contingent on the survey.

IV. RADON GAS TESTING

1. **WHY A BUYER NEEDS RADON GAS TESTING.** Radon is a naturally occurring radioactive gas that accumulates in homes and buildings. Radon gas can cause cancer. The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236 or the Tennessee Department of Environment and Conservation at 1-800-232-1139.
2. **BE AN INFORMED BUYER.** It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new property with a licensed inspector. You may arrange to do so before signing your agreement, or you may do so after signing the agreement as long as the agreement states that the sale of the home is contingent on the inspection.

V. BUYER ACKNOWLEDGMENT

1. HOME INSPECTION.

I/we understand the importance of getting an independent home inspection. I/we have considered this before signing an agreement with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that the Lender shall not perform a home inspection nor guarantee the price or condition of the property.

- I/we choose to have a home inspection performed.
- I/we choose **NOT** to have a home inspection performed.

2. WOOD DESTROYING INSECT INFESTATION REPORT

I/we understand the importance of getting an independent wood destroying insect infestation report. I/we have considered this before signing an agreement with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that obtaining an independent wood destroying insect infestation report is the best means of determining any active or past infestation on the property.

- I/we choose to have a wood destroying insect infestation inspection performed.
- I/we choose **NOT** to have a wood destroying insect infestation inspection performed.

3. SURVEY

I/we understand the importance of getting an independent survey and that this can be done through a licensed surveyor. I/we have been advised that a survey is recommended prior to purchasing real property. I/we have considered this before signing an agreement with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that obtaining an independent survey is the best means of determining the boundary lines for the property.

- I/we choose to have a survey performed.
- I/we choose **NOT** to have a survey performed.

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4. RADON GAS

I/we understand the importance of getting a radon gas inspection. I/we have considered this before signing an agreement with the seller for a home.

- I/we choose to have a radon gas inspection performed.**
- I/we choose NOT to have a radon gas inspection performed.**

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