



### **POINT OF SALE INFORMATION**

Property owners entering into an agreement to sell real estate, including single-family and two-family dwellings, duplexes, apartments and condominiums, are required to obtain a Point-of-Sale inspection. They are also required to provide a copy of the original Certificate of Inspection and the Certificate of Compliance (if available) to the prospective purchaser prior to the execution of a contract of sale. An Acknowledgement Form signed by the purchaser affirming receipt of the original Certificate of Inspection and a Certificate of Compliance (if available) must be deposited in escrow and a copy provided to Inspectional Services as a condition of title transfer.

If all Class A violations listed on the Certificate of Inspection are not corrected prior to transfer of title, an escrow amount must be established and funds, in an amount not less than \$1,000 and equal to 125% of the estimated costs of repairs, must be deposited to pay to correct all Class A violations. A rehab or 203K loan will be considered if it addresses all the Class A violations. It is the responsibility of the owner or the owner's listed agent to schedule any reinspections necessary.

The amount to be held in escrow will be determined by City staff. The amount to be deposited in escrow will be 125% of the estimate for the required repairs or the amount of a signed contract with a company registered to do business in Cleveland Heights. The cost estimates are provided as a convenience. They are based upon a typical Cleveland Heights home. Your actual cost may vary substantially. You should obtain your own cost estimates for the actual work.

The escrow agent must notify the Inspectional Services department in writing of the amount of funds being held to correct all remaining Class A violations. Funds held in escrow will be disbursed only upon written authorization from the City. The City may authorize partial release if it is determined substantial progress has been made in correcting the violations and that sufficient funds remain in escrow to correct the remaining violations.

No person, firm or corporation acting in the capacity of an escrow agent in any real estate transaction shall transfer title or disburse funds from any sale unless the provisions of Chapter 1329 of the Housing Code have been satisfied. Any person violating any provision of Chapter 1329 of the Housing Code will be guilty of a misdemeanor of the first degree and shall be punished as provided in Section 1345.99 of the Housing Code of the Codified Ordinances.

For the purpose of title transfer, the Point of Sale, Certificate of Inspection is valid for one (1) year from the date of the issuance. Therefore, if title does not transfer within that time period, a new Point-of-Sale inspection will be required in order to sell the property, to include a new application and fee.

Once an inspection is made and violations identified, those items must be corrected. Consequently, if a property owner decides to take their home off the market, they are still responsible for correcting the Point-of-Sale violations.

Except for any "immediate" items, violations have a ninety- (90) day compliance date. However, this time frame can be extended if satisfactory progress is made in addressing the required repairs. Factors

## **POINT-OF-SALE INFORMATION** *(continued)*

such as cost of improvements, weather and overall condition are also considered when making the determination. The City will expect prompt compliance if the property is in extreme disrepair, has serious health and safety violations, or blights a neighborhood.

While the seller may desire to have the buyer assume all violations, there is no assurance as to if and when the property will actually sell. Therefore, if the property is not sold within the ninety- (90) day compliance period, the seller will be expected to at least show progress in order to qualify for an extension of time.

The inspection report may contain the note "Unable to inspect. To be inspected at a later date." This statement is frequently used in the winter when snow coverage prevents the inspector from checking roofs, sidewalks, driveways, etc. These areas are then checked when accessible, usually at the first reinspection. If violations are found, they become part of the original inspection.

If, after receipt of the violation notice, there is need for clarification on a particular item, please contact the Housing Inspections Office. You may request to speak with the inspector who conducted the inspection or the Chief Inspector. Both are available for on-site advisory reviews.

Finally, while a Point-of-Sale inspection is a comprehensive review conducted by well-trained professionals, it is important to note that it is primarily a visual check and thus, items or areas may be hidden from view. Therefore, the inspection should be considered to be the City's best effort to make known violations existing at the time of inspection. And, if a Certificate of Compliance is issued, it should only be considered to be a statement that all violations initially cited were corrected to the City's satisfaction, not a warranty or guarantee that the home is violation free.