Geo-Corp, Inc.

EARNED EQUITY PROGRAM – PROPERTY REQUIREMENT UPDATE

SELLING GUIDE UPDATES

Effective July 28, 2026

INSPECTION REQUIREMENTS

Updated Policy:

A home inspection is required for the following:

- All properties with a **C2, C3, C4, or C5** appraisal condition rating.
  - Note: Properties in C2 Condition are considered "like new". Although there may be instances where minor to moderate defects are noted, it will be rare that any repairs are required for properties in C2 condition. The requirement for an inspection for properties in C2 condition is primarily for disclosure purposes for the homebuyer.

NOT REQUIRED FOR C1 APPRAISAL CONDITION RATING (NEW CONSTRUCTION)

PRIOR TO CLOSING REPAIR REQUIREMENTS

Updated Policy:

Mandatory Pre-Closing Repairs

The following issues, whether noted by an appraiser or a home inspector, must be fully repaired prior to closing:

- **Health & Safety**
  - Any active health and safety hazard.
  - Smoke and Carbon Monoxide (CO2) detectors not up to local code.
- **Water & Moisture**
  - Any presence of mold.
  - Unacceptable moisture levels.
  - Standing water, active water stains, or evidence of roof leaks.
- **Structural & Exterior**
  - Major foundation issues or improper grading.
  - Visible wood damage (interior or exterior).
  - Exterior damage (including broken windows/door frames, damaged siding, severe masonry damage, or large stucco cracks).
- **Pests**
  - Any evidence of termite damage (requires full inspection and remedy).
- **Utilities**
  - Dysfunctional components in private wells or septic systems.

ROOF REQUIREMENTS – PRIOR TO CLOSING

Updated Policy:

Roof Requirements

The following requirements must be met and fully repaired prior to closing:

- **Age Rule:** Homes older than 10 years require a certified 5-year roof certification.
- **Mandatory Repairs (All Roof Types):**
  - Damaged shingles (including curling, cupping, or missing shingles).

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- Cracks, holes, or active leaks.
- Damaged or improper flashing.

- **Home Warranty:** If the program requires a home warranty, the policy must include a roof leak provision.

ELECTRICAL REQUIREMENTS – PRIOR TO CLOSING

Updated Policy:

Electrical Requirements

All of the following electrical issues must be fully repaired, upgraded, or brought up to code prior to closing:

- **Wiring:**
  - Any visible wiring in bad condition.
  - All **Knob and Tube wiring** (must be upgraded entirely).
- **Service Panels:** Must have adequate capacity, be in serviceable condition, and show no signs of overheated fuses or breakers.
- **Safety & Codes:** All identified electrical hazards and code violations must be remedied or properly permitted to meet local code.

POST CLOSING REPAIR REQUIREMENTS

Updated Policy:

Post-Closing Repair Guidelines

Repairs may be completed *after* closing if they do not involve health and safety hazards, do not affect the main functionality of a system, and are not explicitly required to be fixed prior to closing (PTC).

Eligible post-closing repairs include:

- **Doors & Windows:** Minor repairs to doors, windows, or exterior structures where no major defect is cited.
- **HVAC & Electrical:** Minor maintenance to HVAC units or minor recommendations on electrical panels.
- **Landscaping:** Tree or shrub trimming, provided it does not pose a structural hazard to the home.
- **Fencing:** Minor repairs to exterior fences or railings.
- **Pest Control:** Treatment for minor, localized pest infestations.
- **Mold:** Cosmetic mold issues (e.g., a small patch in a tub, shower, or sink area).

OTHER REQUIREMENTS

Prior to Closing (PTC) Repairs:

- **Proof of Completion:** You must submit inspections, contractor estimates, final invoices, and **before-and-after photos** to prove all work is complete.
- **Buyer Financial Rule:** If the homebuyer is performing or paying for any PTC repairs, they must prove they have the funds to cover them. These funds must be completely separate from their required down payment, closing costs, and financial reserves.

Post-Closing Repairs:

- **Approval & Deadlines:** All deferred repairs are subject to Underwriter (UW) discretion and **must be fully completed within 6 months** of the closing date.
- **Required Forms:** The homebuyer must sign both the *Property Inspection Acknowledgment / Attestation* and the new *Property Inspection Disclosure*.
- **Buyer Financial Rule:** The homebuyer must prove they have the financial capability to pay for and finish all deferred repairs post-closing.