

MOLD AND THE REAL ESTATE PROFESSIONAL

**The key to keeping
the sale on track.**





MOLD AND REAL ESTATE SALES

Mold is now the “toxic tort du jour,” jumping ahead of lead-based paints, asbestos, radon, and other environmental issues as the hot-button issue in real estate sales.

We developed this brochure to help real estate professionals protect themselves and their clients when there is an actual or potential mold problem. This brochure briefly reviews New Jersey state law relating to latent defects and disclosure, including the standards and requirements set forth in various New Jersey Association of Realtors (NJAR) documents. It also discusses options to get rid of mold.



THE REAL ESTATE CONTRACT AND MOLD

Agents are not microbiologists and are not mold specialists. In fact, the NJAR Standard Form of Real Estate Contract in its Responsibilities of Home Ownership explicitly states: “... the Broker(s) and Salesperson(s) have no special training, knowledge or experience with regard to evaluation of possible environmental conditions which might affect the Property pertaining to the dwelling such as the existence of radon gas, formaldehyde gas, airborne asbestos fibers, toxic chemicals, underground storage tanks, lead, mold, or other pollutants in the soil, air or water.”



BUYERS AND SELLERS ARE RELYING ON YOU

Buyers and sellers are relying on their agents for guidance and proper counsel. While not mold experts, agents should still be able to conduct a reasonably diligent visual inspection, and identify those conditions that may lead to or indicate a potential mold problem.

Of course, agents should state only their observations and not render an opinion as to whether a home has or does not have mold. Water stains, strong or musty odors, leaky roofs or windows, plumbing leaks, and even what appears to be visible mold growth are all red flags indicating the possibility of mold. In those cases, the agent should advise the buyer to contact a qualified expert to inspect the property so there are no unresolved issues before the closing date.



FULL DISCLOSURE BY SELLERS IS REQUIRED

Sellers have a duty to fully disclose latent defects to buyers that are known or should be known, and that are not discoverable to buyers upon reasonable inspection. While homeowners may forget minor problems that happened years ago, major problems like a basement or crawl space with ongoing water issues during storms must be disclosed.

The agent should make sure that sellers understand their obligations and the risk of not fully disclosing. Finally, New Jersey courts have held that the duty to disclose extends to real estate brokers if the agent is aware of known conditions that are not disclosed or concealed. See *Weintraub v. Krobatsch*, 64 N.J. 445 (1974) and *Strawn v. Canuso*, 140 N.J. 43 (1995). If the agent breaches this duty along with the seller by having knowledge of any defects and remaining silent, he or she could wind up as a named defendant along with the seller.



SELLER'S DISCLOSURE RESPONSIBILITIES ARE EXPLICIT

The NJAR Standard Form of Seller's Property Condition Disclosure Statement under Attics, Basements, and Crawl Spaces Section asks two related, broadly worded disclosure questions, #9 and #9a, and other disclosure questions such as whether the home has a sump pump and, if so, whether there have been problems with its operation; whether the home has been damaged by flood (among other events); and whether there have been leaks, backups, or other plumbing problems.

Question #9 asks: "Are you aware of any water leakage, accumulation, dampness within the basement, crawl space, or any other areas within any of the structures on the property?"

Question #9a asks: "Are you aware of the presence of mold or similar natural substances within the basement or crawl spaces or any other areas within any of the structures on the property?"



BUYERS SHOULD BE ON NOTICE OF POTENTIAL MOLD PROBLEMS



Buyer agents should put their clients on notice of potential mold problems, especially in coastal areas hard hit by storms. Recommend a mold inspection if the general home inspection indicates significant moisture or water problems.

IF THERE'S A MOLD PROBLEM, YOU CAN SAVE THE DEAL



Agents should be able to provide proper guidance about mold treatment to move forward with the transaction. If a buyer loves that particular home and its layout, location, and price, mold need not and should not kill the deal. Your clients are relying on you to provide them with options.

DEALING WITH MOLD THE OLD WAY: REMOVE IT



Traditional “tear-out” mold remediation is necessary when there is a loss of structural integrity to building materials. While Cowleys technicians are trained in performing traditional mold remediation, from our experience, we found that it is only necessary about 20% of the time.

DEALING WITH MOLD THE NEW WAY: TREAT IT



Mold Solutions by Cowleys offers a new, highly effective and efficient way to treat mold and prevent its return.

First, we kill the mold with a powerful anti-microbial. Then, we coat the material with a proprietary patented sealant designed and formulated to destroy the mold at the cellular level. The mold is gone with better long-term results. And the closing stays on target.

With this system, moldy sheetrock or wood need not be removed unless there is severe damage or structural integrity concerns. A Cowleys mold inspector can assess which method would be most appropriate. Rest assured, with Cowleys, the mold will be gone with either method.

UNDERSTANDING THE NEW SCIENCE OF MOLD TREATMENT



MOLD-POLYMER
PATENTED TECHNOLOGY

Our two key products to treat mold are MAPS MA-1 and MAPS MA-2.

1. MAPS MA-1 is an EPA registered, multi-purpose, anti-microbial specifically selected for its compatibility with MAPS MA-2.
2. MAPS MA-2 is a unique, proprietary sealant polymer that completely encapsulates the mold.



Applied by one of our trained mold technicians, the products are distributed as microscopic particles using a commercial ULV fogger. With this process, we can thoroughly treat any exposed surface, including corners, behind items, and inside cracks and crevices. Mold spores are killed instantly. This treatment is effective on both porous and nonporous surfaces. It also cleans and deodorizes the treated areas.

With this treatment, mold cannot grow on any treated surface after the sealant is applied. The treatment remains active to fight mold 24/7 for years.

Our process offers a safe and efficient alternative to treat mold and prevent its return.



THE MAPS 4-STEP PROCESS:

1. **A Water Intrusion Inspection is conducted.** We not only locate mold, but also the moisture and water sources that caused it.
2. **An anti-microbial is applied to kill the mold.** We use an EPA-registered, multi-purpose anti-microbial that kills the mold. It is a bactericide, virucide, disinfectant, fungicide, cleaner, mildew stat, and deodorizer.
3. **Our patented sealant is applied to encase the mold and destroy it at the cellular level.** This sealant is moisture-sensitive and reactivates when it gets moist, so if any new mold attempts to grow, the sealant will be there to stop it. For mold that is behind wall voids, the sealant forms a protective barrier, killing any mold that seeps through the sheetrock. This sealant is completely non-toxic. It was developed with the same underlying material used to coat implant devices placed inside the body.
4. **A commercial-grade dehumidifier is installed to keep down indoor humidity.** With the purchase of our commercial-grade dehumidifier and service contract, a homeowner has the option of a 5-year annual renewable warranty.

The MAPS System is available only through Pest Control Operators licensed by the State DEP that are authorized MAPS professional partners.

MOLD EDUCATIONAL RESOURCES



There are several public educational booklets from the NJ Department of Health (NJDOH) concerning the dangers of mold. Search for “Mold Guidelines For New Jersey Residents” and a more concise “Mold Advisory Bulletin” on the NJDOH website, nj.gov/health. The NJDOH website also has several related links to information provided by federal agencies.



If you are close to finalizing a real estate deal, don't let the transaction come to a halt because of mold. Mold Solutions by Cowleys offers a guaranteed long-term solution.



OUR STORY

New Jersey homeowners face severe water and moisture issues. With more than 45 inches of rain annually, over 70% average annual humidity, and flooding from intense storms, New Jersey homes and businesses face a high risk of dangerous mold growth.

Cowleys Pest Services founded Mold Solutions by Cowleys in 2011 and since then have helped over a thousand New Jersey property owners resolve the most challenging mold issues.



OUR GUARANTEE

With your water intrusion and moisture issues resolved, we guarantee that the areas we treat for mold remain mold free for one year. Most mold problems are caused by moisture and with the purchase of our commercial-grade dehumidifier and service contract, the one year warranty is renewable annually for up to five years from original treatment date.

Call us at 732-897-9553 and let us show you how we can keep your real estate deal on track for you and your clients.



This brochure provides general information only. It is not meant to provide legal advice, and it should not be relied on nor substituted for the opinion of a licensed attorney.



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&
**Christmas
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