

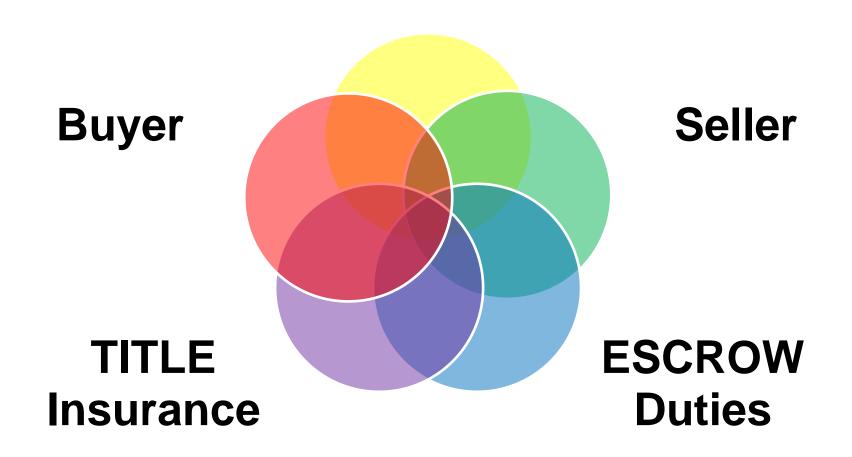
Escrow Instructions & The Role of a Fiduciary (CORE)

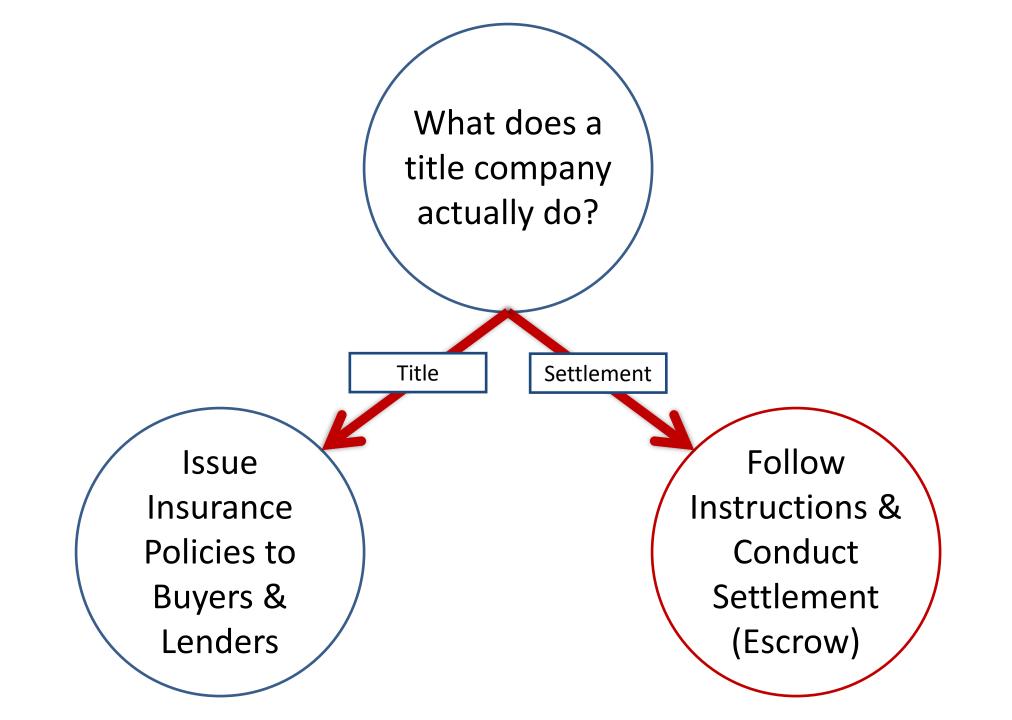
Real Estate

1 Hour CORE, Course #RC230311

Tucker Hodgson-Continuing Education Instructor #6728570-CEI0

### **Property**





## What goes on at the title company?

#### 1. Title Insurance

- 1. Research property history
- Identifying & Evaluating Risks & Problems (7 areas)
  - Property Characteristics
  - People in chain/ownership/ transaction
- 3. Setting up Requirements
- 4. Preparing the Preliminary Report
- 5. Manage Requirements
  - (Curative & Clearing)
- 6. Recording
- 7. Issue title policy

#### 2. Settlement/Escrow

- 1. Act as neutral party
- 2. Follow Written Instructions
- 3. Prepare Closing Documents
- 4. Prepare Settlement Statement
- Conduct Settlement
- 6. Receive & Verify Funds
- 7. Deliver (record) Deed
- 8. Disburse Funds

# Who does what? Insurance Exams & Licensing

- Title Search
- Title Escrow
  - -100 Questions- 120 Minutes
  - -10% Insurance Regulation, 5% General Insurance,
  - 15% Real Property, 15% Title Insurance, 20% Title Exceptions and Procedures for Clearing Title, 35% Real Estate Transactions.
  - Litle Marketing Representative
    - 50 Questions- 60 Minutes
    - 10% Insurance Regulation, 5% General Insurance, 40% Title Insurance, 45% Marketing Title Insurance.

https://insurance.utah.gov/agent/producers/exam/documents/PSI-InsuranceCandidateBulletin1-2-2015.pdf

# CE Requirements

- (II) Title producers shall comply with the following C.E. requirements.
- A total of 12 hours of continuing education are required, of which:
  - 6 hours must be in the classroom or classroom equivalent type courses
  - No more than 6 hours may be from courses provided by insurers
  - 3 hours must be in ethics training; and the remaining
     9 hours can be in any line of insurance
  - All 12 hours must be from courses approved by the Utah Insurance Department
  - If licensed for 20 or more consecutive years, a total of 6 hours is required, with 3 of ethics
- Proof of completion of continuing education hours must be kept on file with the producer. The Department may conduct random audits of producers by mail to verify their C.E. hours.
- https://insurance.utah.gov/agent/producers/education.php

#### Class Goals-Settlement/Escrow

- Basic Settlement Principles
  - Defining Fiduciary & Escrow
  - Settlement Duties & Title Insurance (symbiotic relationship)
- Instructions as Ingredients
  - Title Report (people & property),
     Contract, Payoff/Lien Releases,
     Leases/Rental Agreements, Survey,
     Commission instructions, Net proceed
     instructions, IRS (1031 & 1099)
- Settlement missteps vs. Title Insurance claims

Settlement & Escrow Are Fiduciary Roles Fiduciary- A <u>manager</u> entrusted to control property or to act on behalf of and for the benefit of another ...or.... One acting in a relationship of trust, regarding financial transactions

# Definition of Escrow

- Escrow- Money or property held <u>conditionally</u>, an amount of money or property granted to somebody but <u>held</u> <u>by a third party</u> and only released after a specific condition has been met...or...
- Delivery of a deed by a grantor to a <u>third party</u> for delivery to the grantee upon the happening of a contingent event.
- In some states, <u>all instruments</u> <u>necessary to the sale (including funds)</u> <u>are delivered to a third (neutral) party,</u> with instructions at to their use.

# The Purposes of Settlement &Escrow

- Follow Written Instructions
- Act as neutral party
- Prepare Closing Documents
- Conduct Settlement
- Receive & Verify Funds
- Deliver (record) Deed
- Disburse Funds

## From Backman's CE:

# The Role of Settlement (Escrow) in reducing & avoiding risk:

Following instructions from the insurer, insured, the title report, the process of title clearing, instructions from the real estate purchase contract, lender instructions, delivery and receipt of good funds, and conducting settlement & closing.





### Settlement & Escrow

- Instructions as Ingredients
  - Title Report (people & property), Contract, Payoff/Lien Releases, Leases/Rental Agreements, Survey,
    Commission instructions, Net proceed instructions, IRS (1031 & 1099)

## **Escrow Instructions?**

1.1 Included Items. Unless excluded herein, this sale includes the following items if presently owned and in place on the Property: plumbing,
heating, air conditioning fixtures and equipment; solar panels; ovens, ranges and hoods; cook tops; dishwashers; ceiling fans; water heaters;
water softeners; light fixtures and bulbs; bathroom fixtures and bathroom mirrors; all window coverings including curtains, draperies, rods,
window blinds and shutters; window and door screens; storm doors and windows; awnings; satellite dishes; all installed TV mounting brackets;
all wall and ceiling mounted speakers; affixed carpets; automatic garage door openers and accompanying transmitters; security system; fencing
and any landscaping.
1.2 Other Included Items. The following items that are presently owned and in place on the Property have been left for the convenience of
the parties and are also included in this sale (check applicable box): [X] washers [X] dryers [X] refrigerators [X] microwave ovens
[V other (specify) (ub ladet riching lawn months, fence panels.
The above checked items shall be conveyed to Buyer under separate bill of sale with warranties as to title. In addition to any boxes checked in this Section 1.2 above, there [ ] ARE [X] ARE NOT additional items of personal property Buyer intends to acquire from Seller at Closing by separate written agreement.
1.3 Excluded items. The following items are excluded from this sale:
1.4 Water Service. The Purchase Price for the Property shall include all water rights/water shares, if any, that are the legal source for
Seller's current culinary water service and imigation water service, if any, to the Property. The water rights/water shares will be conveyed or
otherwise transferred to Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are
specifically excluded from this sale: Per Title
Specifically exercises from the service of the serv

#### 2. PURCHASE PRICE.

2.1 Payment of Purchase Price. The Purchase Price for the Property is \$390,000. Except as provided in this Section, the Purchase Price shall be paid as provided in Sections 2.1(a) through 2.1(e) below. Any amounts shown in Sections 2.1(c) and 2.1(e) may be adjusted as deemed necessary by Buyer and the Lender (the "Lender").

# Evidence of Capacity-Authority of the signers

- 13. AUTHORITY OF SIGNERS. If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company or other entity, the person signing the REPC on its behalf warrants his or her authority to do so and to bind Buyer and Seller.
- 13. AUTHORITY OF SIGNERS. If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company or other entity, the person executing this Contract on its behalf warrants his or her authority to do so and to bind Buyer and Seller. Seller further warrants that the execution and delivery of this Contract by Seller have been duly and validly authorized, and all requisite action has been taken to make this Contract binding upon Seller.
- 13. AUTHORITY OF SIGNERS. If Buyer or Seller is a legal entity rather than an individual, each Person executing and delivering this PSA or any Addendum or Counteroffer for it unconditionally and irrevocably warrants his or her authority to do so and to bind Buyer or Seller. Each of Seller and Buyer further warrant that the execution and delivery of this PSA by it has been duly and validly authorized, and all requisite actions have been taken to make this PSA valid, binding and enforceable upon it.

Settlement/Escrow-Authority of the Signers  AUTHORITY OF SIGNERS. If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company or other entity, the person signing the REPC on its behalf warrants his or her authority to do so and to bind Buyer and Seller.

### Authority documents for Trusts & Estates

### When taking a listing what documentation should you ask for?

1. Copy of Trust
OR

2. Certification of Trust

1

#### Certification of Trust § 75-7-1013

- (6) A person who acts in reliance upon a certification of trust without knowledge that the representations contained in it are incorrect is not liable to any person for acting and may assume without inquiry the existence of the facts contained in the certification. Knowledge of the terms of the trust may not be inferred solely from the fact that a copy of all or part of the trust instrument is held by the person relying upon the certification.
- (7) A person who in good faith enters into a transaction in reliance upon a certification of trust may enforce the transaction against the trust property as if the representations contained in the certification were correct.
- (8) A person making a demand for the trust instrument in addition to a certification of trust or excerpts is liable for costs, expenses, attorney fees, and damages if the court determines that the person did not act in good faith in demanding the trust instrument.
- 3 (9) This section does not limit the right of a person to obtain a copy of the trust instrument in a judicial proceeding concerning the trust.

#### Certification of Trust § 75-7-1013

#### Requirements

- 1. Statement that identifies the trust exists
  - Date the trust instrument was created
- 2. Identity of Settlor
- Identity and Address of the acting trustee(s)
- Powers of the trustee.
  - How these powers relate to current transaction
- 5. Revocable vs. Irrevocable trust "and the identity of any person holding a power to revoke the trust"
- 6. The name in which title to the trust may be taken

2

#### What happens to the real estate? Estate (Property) Testate-Will Intestate- No will Probate: 1- Court Validates Will Probate: 2- Appoints Personal 1-Court Determines Heirs Representative 3- Issues Letters 2- Issues Decree Testamentary To Change Title To Change Title - Record Determination 1-Record Personal Representatives Deed of Heirs 1a- Attach Death Cert. 1a- Attach Letters Testamentary 2- Every heir named 1b- Attach Death Cert. signs deed.

#### Evidence of Capacity- Authority of the signers

#### RESOLUTION OF THE BOARD OF DIRECTORS BY UNANIMOUS CONSENT FOR

Insert name of Corporation

Pursuant to the authority contained in Utah Code Ann. §16-10a-821 and other Company documents, the undersigned, being all of the directors of (insert name of corporation), a Utah profit corporation (the "Company"), do hereby take and ratify and adopt the following action, in writing, without a duly called meeting:

IT IS UNANIMOUSLY RESOLVED, that the Company borrow from (insert nanle of lender), the approximate sum of (inseli loan amount) Dollars (\$ , and pledge, as —collateral for the loan, the Company's real property located at (insert address of property).

IT BEING FURTHER UNANIMOUSLY RESOLVED, that the president, (inseli name of officer signing), of the Company be, and she hereby is authorized, empowered and directed to execute and deliver the (inseli other specific documents-ie: Warranty Deed) Deed of Trust, Noite, and all other documents necessary to consummate the loan transaction with (insert name of lender) to effectuate the pledging of the Company's real property as collateral for this loan with (insert name of lender).

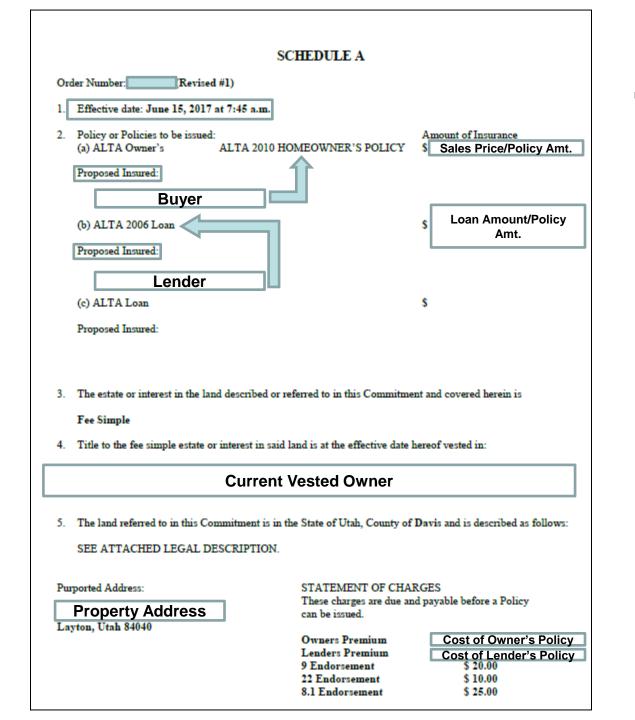
ated effective the_	day of July, 2016.	
	Janet M. Colibert	
	Gregory J. Colibert	

## UNANIMOUS CONSENT OF MEMBERS OF BLANK LLC

	DELITIE DEC		
Pursuant to the authority conta being all of the members and manager "Company"), do hereby make and ratif without a meeting:	s of LLC, a Utal	h limited liability o	ompany (the
IT IS UNANIMOUSLY AUT act as the managers of the Company in which property ("Property") is located	HORIZED that the purchase of property	and	
Utah, and described as follows:	at	m	County,
IT BEING ALSO UNANIMOUS: the managers of the Company for the empowered and directed to execute all p the purchase of the Property.	us purchase transaction,	be and hereby are	
Dated effective the day of_	,20 .		
_	, Member		_
_	, Member		_
_	, Member		_

# Written Instructions Part I

- 1. The Title Commitment
  - Schedule A, B1 & B2
- 2. The REPC
  - Addendums
  - Rents, Repairs, Deadlines, Home Warranty, Policy Type
- 3. Lender Instructions
  - First and Second Mortgage
  - Costs and Fees
  - Lien Position/Policy Type
- 4. Payoff
  - Proper form
  - Matter of payoff (check or wire)



# Instructions: Title Commitment (Preliminary Title Report)

#### Schedule A

- 1. Summary of the property and insured parties in the transaction.
- 2. Effective Date
- 3. Parties to receive insurance
- 4. Policy Types/Costs
- 5. Vested Owner(s).

SCHEDULE A	
Order Number:	
LEGAL DESCRIPTION	
All of Lot Subdivision, Unit 1, Layton City, Davis County, Utah, according to the official plat thereof.	
Parcel No.	

# **Instructions: Title Commitment** (Preliminary Title Report) Schedule A 1. Legal description of the subject

property.

#### SCHEDULE B – SECTION 1 Order Number REQUIREMENTS The following are the requirements to be complied with: Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured. Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record. Written notification to the Company of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land is required. Any such interests may make this Commitment subject to additional requirements or exceptions as necessary. TO-WIT: NOTICE TO APPLICANT: The land covered herein may be serviced by districts, service companies and/or municipalities, which assess charges for water, sewer, electricity and any other utilities, etc. which are not covered by this Commitment or insured under a title insurance policy. NOTE: If the applicant desires copies of the documents underlying any exception to coverage shown herein, the Company will furnish the same on request, if available, either with or without charge as appears appropriate. NOTE: Any matter in dispute between you and the Company may be subject to arbitration as an alternative to court action pursuant to the Title Insurance Rules of the American Arbitration Association, a copy of which is available on request from the Company. Any decision reached by arbitration shall be binding upon both you and the Company. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction. OBTAIN AND RECORD a Warranty Deed from the vestees herein to the proposed insured OBTAIN AND RECORD a Trust Deed to secure your loan. Upon compliance with the Company's underwriting requirements Items 1 – 8 on Schedule B-2 will be deleted on an ALTA Loan Policy and an Homeowners Policy. 4. The Company may assist with but will not insure any transfer, right or title to water rights. OBTAIN A RECONVEYANCE, EXECUTED BY THE TRUSTEE OF: A Deed of Trust, and the terms and conditions thereof: Stated Amount: Trustor(s): Trustee: Backman Title Services Beneficiary: Mortgage Electronic Registration Systems, Inc., acting solely as a nominee for Lender and Lender's successors and assigns Lender: Dated: May 2015 Recorded: May 2015

Entry No.: Book/Page:

# Instructions: Title Commitment (Preliminary Title Report)

## Schedule B-1

- 1. Requirements
  - -To pass the clear title to the buyer
  - -To secure the lender's loan in desired lien position

Note: The owner's policy of title insurance committed to be issued will contain Deductible Amounts and Liability Limits relative to certain Covered Risks as follows:

- Covered Risk 16 (Subdivision Law Violations) has a deductible of 1% of the Policy Amount shown in Schedule A or \$2,500 (whichever is less) and a Maximum Dollar Limit of Liability of \$10,000.
- Covered Risk 18 (Building Permits) has a deductible of 1% of the Policy Amount shown in Schedule A or \$5,000 (whichever is less) and a Maximum Dollar Limit of Liability of \$25,000.
- Covered Risk 19 (Zoning) has a deductible of 1% of the Policy Amount shown in Schedule A or \$5,000 (whichever is less) and a Maximum Dollar Limit of Liability of \$25,000.
- Covered Risk 21 (Encroachment of Boundary Walls or Fences) has a deductible of 1% of the Policy Amount shown in Schedule A or \$2,500 (, whichever is less) and a Maximum Dollar Limit of Liability of \$5,000.

Your Order has been assigned to Bountiful, Utah 84010. For any e	Escrow Officer scrow/closing quest	for full service escrow tions please call (801)	at 150 North	Main, Suite 100 mail
Escrow Officer Email			е	

Please forward all electronic closing documents to loandocs@backmantitle.com

NOTE: The following names have been checked for Judgments, Federal Tax Liens and Bankruptcies.

- Seller
- Buyer
- Previous Property Owners

# Instructions: Title Commitment (Preliminary Title Report)

### Schedule B-1

- 1. Deductibles
- 2. Assigned escrow officer
- 3. List of individuals searched

#### SCHEDULE B - SECTION 2

Order Number: NEWFILE

#### EXCEPTIONS

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies
  taxes or assessments on real property or by the public records. Proceedings by a public agency, which may
  result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such
  agency or by the public record.
- Any facts, rights, interests or claims which are not shown by the public records, but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
- 3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents, or Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
- Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- 7. Any adverse claim based upon the assertion that (a) Some portion of the land forms the bed or bank of a navigable river or lake, or lies below the mean high water mark thereof; (b) The boundary of the land has been affected by a change in the course or water level of a navigable river or lake; (c) The land is subject to water rights, claims or title to water and to any law or governmental regulation pertaining to wetlands.
- 8. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
- 9. Lien of taxes, delinquent, if not paid:

Year: 2021 2021 Amount: \$2,709.66 Parcel No.: 475-2559-a402 Prior year: 2020 Paid

- The land described herein is located within the boundaries of Davis County Taxing District No. 5, and is subject
  to any assessments levied thereby.
- The land described herein is located within the boundaries of the Weber Basin Water District (771-1677), and is subject to any assessments levied thereby.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A. Schedule B. Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

ALTA 2016 Commitment Schedules A, B-I, B-II, C

Page 10 of 15

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# Schedule B-Section 2 contains provisions that limit the coverage of the title insurance policy

#### **EXCEPTIONS**

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies
  taxes or assessments on real property or by the public records. Proceedings by a public agency, which may
  result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such
  agency or by the public record.
- 2. Any facts, rights, interests or claims which are not shown by the public records, but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
- 3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents, or Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
- 6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- 7. Any adverse claim based upon the assertion that (a) Some portion of the land forms the bed or bank of a navigable river or lake, or lies below the mean high water mark thereof; (b) The boundary of the land has been affected by a change in the course or water level of a navigable river or lake; (c) The land is subject to water rights, claims or title to water and to any law or governmental regulation pertaining to wetlands.
- 8. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

9. Lien of taxes, delinquent, if not paid:

Year: 2021

2021 Amount: \$2,709.66

Parcel No.: 475-2559-a402

Prior year: 2020 Paid

# Schedule B-Section 2 contains "permanent" issues that effect the property title

- The land described herein is located within the boundaries of Davis County Taxing District No. 5, and is subject
  to any assessments levied thereby.
- 11. The land described herein is located within the boundaries of the Weber Basin Water District (771-1677), and is subject to any assessments levied thereby.
- The land described herein is located within the boundaries of the Bountiful City District (298-6091), and is subject to any assessments levied thereby.
- 13. The land described herein is located within the boundaries of the South Davis Water District (295-4468), and is subject to any assessments levied thereby.
- 14. The land described herein is located within the boundaries of the South Davis Sewer District (295-3469), and is subject to any assessments levied thereby.

# Schedule B-Section 2 contains "permanent" issues that effect the property title

15. Easement, and the terms and conditions thereof:

Disclosed by: Plat of said subdivision

Purpose: Utilities, Drainage and Irrigation

Area Affected: Southwesterly 5 feet and Northeasterly 7 feet

16. The terms and conditions of that certain Certificate of Creation of the South Davis Metro Fire Service Area:

Recorded: December 23, 2015

Entry No.: 2911949 Book/Page: 6419/53

# Schedule C contains any changes to the property ownership in the last 24 months

#### **SCHEDULE C**

Order Number: **NEWFILE** 

#### Chain of Title

According to Official Records, there have been no documents conveying the land described herein within a period of 24 months prior to the date of this commitment, except as follows:

Document Name
NONE

Recording Date

Entry No.

Book Page

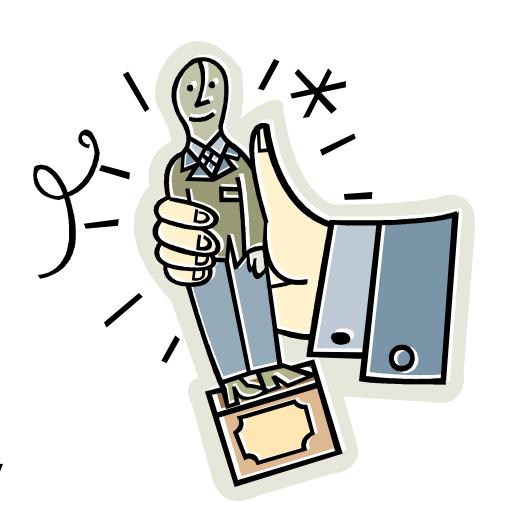


# For Settlement Agents (Escrow)

- Requirements are focus of the title report
- Buyers should know what is on Schedule B-2

## And the award for worst requirement...

- Survey Exception
- Federal Tax Lien
- Unreleased Deed of Trust from a private party or defunct bank
- Probate
- Interest in property from a deceased prior owner
- Boundary Line Discrepancy (Gap/Overlap)



# Mortgage Payoffs are Escrow Instructions

#### What is an acceptable payoff?

- From Current Beneficiary
- In Writing
  - Verbal payoffs are never acceptable
  - Must have a good through date
    - Principal Amount
    - Per Diem (Preferably)
  - At least 5 days per diem added to payoffs

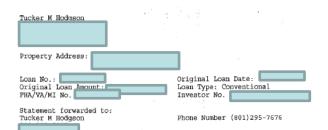
## Instructions: Loan Payoffs

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CENLAR:

CENTRAL LOAN ADMINISTRATION & REPORTING

Attn: Payoff Department
425 Phillips Blvd.
Ewing, New Jersey 08618
PAYOFF STATEMENT AS OF July 26, 2016 ("Effective Date")



IMPORTANT: Your payoff statement contains as many as three sections; each section may be multiple pages in length. If you are receiving this payoff statement via fax, please note that each section may be faxed separately. The quote to pay off your loan is contained in this first section (up to three pages in length); payoff instructions and important information are contained in section two (two pages). Section three contains all other information relating to your payoff transaction that is not contained in the first two sections. To ensure that your payoff transaction is processed efficiently, please read the entire payoff statement and follow all instructions.

ATTENTION BORROWERS USING AUTOMATIC DRAFTING: Borrowers whose monthly payments are automatically withdrawn from checking/savings accounts using our Payment Drafting Program (automatic drafting) must instruct this office to discontinue automatic drafting at least fifteen (15) business days before the next scheduled withdrawal by sending a written notice to: Drafting Department, PO Box 77417, Ewing, NJ 08628. Pailure to comply may result in continued withdrawals. Please call 877-681-7316 should you have any questions.

877-681-7316 • www.loanadministration.com

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Tucker M Hodgson

#### LOAN PAYOFF INFORMATION

#### GENERAL INSTRUCTIONS AND CONDITIONS:

- ALL PAYOFF FIGURES PROVIDED ARE SUBJECT TO CLERICAL ERROR CORRECTION AND FINAL AUDIT.
- \* The borrower must pay all interest that accrues and/or fees that are assessed after the Effective Date.
- In the event a payment reflected in this payoff statement is reversed due to a dishonored or returned check, there will be a charge not to exceed the amount permitted by law.
- Please note that the required payoff amount may change if a payment is returned, or if late charges or escrow advances occur on or after the Effective Date of this statement.

Since amounts may change, we recommend that you contact our office to verify payoff figures prior to remitting funds.

IF THE LOAN IS DELINQUENT, IN FORECLOSURE OR BANKRUFTCY, this office must be contacted at least 48 hours prior to payoff in order to allow us sufficient time to verify the correct amount necessary to satisfy the loan.

#### REMITTANCE OF FUNDS:

- \* PERSONAL CHECKS WILL NOT BE ACCEPTED.
- \* Payoffs are not posted on weekends and Holidays. Interest will be added to the account for those days.
- Payoff funds must be remitted in the form of a wire, certified check, bank/cashier's check or attorney's trust check. PERSONAL CHECKS WILL NOT BE ACCEPTED.
- Payoff remittances (wires or checks) received in our office after 2:00 p.m. ET will be processed the following business day.
- Payoff remittances of less than the full payoff amount due will not be applied and interest will continue to accrue until the full amount is received. We will attempt to notify the sender of the amount of the shortage. If the shortage amount is not received within 48 hours of our initial receipt of the funds, the entire remittance may be returned.
- If we must reverse the receipt and application of funds due to an error in the payoff request, a \$200.00 handling fee will be assessed.

#### DAVMENT DV WIDE.

- \* Our preferred method of payoff remittance is by wire transfer.
- \* Funds should be wired to CENLAR FS PRINCETN, TRENTON, NJ. ABA Nbr.
- \* The wire must include the borrower's name, loan number, and the notation ATTENTION: PAYOFP DEPARTMENT. A contact name and phone number of the originator of the wire should also be included.

## Instructions: IRS 1099-S Form

and the IAS determines that it is	not reported.	ction will be imposed on you if th CORRECTED (if checked)	
FILER'S name, street address, city, state, and zip or		OMB No. 1545-0997	
FILER'S Federal identification number TRANSF	EROR'S identification number	1 Date of Closing	2 Gross proceeds
TRANSFEROR'S name		3 Address or legal description	
Street Address			
City, State and ZIP code		4 Check here if the transferor rece	_
Account number (optional)		property or services as part of the 5 Buyer's part of real estate tax	he consideration≥
		\$	
Received the above information this TRANSFEROR(S):	day of	A.D	

#### CERTIFICATION FOR NO INFORMATION REPORTING (1099-S) ON PRINCIPAL RESIDENCE (Pursuant to IRS Rev. Proc. 2007-12)

This form may be completed by the seller of a principal residence. This information is necessary to determine whether the sale or exchange should be reported to the seller, and to the Internal Revenue Service on Form 1099-S. Proceeds From Real Estate Transactions. If the seller properly completes Parts I and Part III, and makes a

PART	ГΙ			SEL	LER INFORMATION
Name	(Al	l se	ller	s if mo	re than 1 seller):
				lescrip Zip:	tion):
Taxpa	iyei	Ide	nti	fication	n Number (TIN):
PART Check			or		LER ASSURANCES 'for assurances (1) thru (5), and "true", "false", or "not applicable" for assurance (6).
True [ ]		Fals			(1) I owned and used the residence as my principal residence for periods aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence.
[ ]		[ ]			(2) I have not sold or exchanged another principal residence during the 2-year period ending on the date of the sale or exchange of the residence.
[ ]		[ ]			(3) I (or my spouse or former spouse, if I was married at any time during the period beginning after May 6, 1997, and ending today) have not used any portion of the residence for business or rental purposes after May 6, 1997.
[ ]		[ ]			(4) At least one of the following three statements applies: The sale or exchange is of the entire residence for \$250,000 or less. OR
					OR. I am married, the sale or exchange is of the entire residence for \$500,000 or less, and the gain on the sale or exchange of the entire residence is \$250,000 or less.  OR.
					I am married, the sale or exchange is of the entire residence for \$500,000 or less and (a) I intend to file a joint return for the year of the sale or exchange, (b) my spouse also used the residence as his or her principal residence for periods aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence, and (c) my spouse also has not sold or exchanged another principal residence during the 2-year period ending on the date of the sale or exchange of the principal residence.
[ ]		[ ]		N/A	(5) During the 5-year period ending on the date of the sale or exchange of the residence, I did not acquire the residence in an exchange to which section 1031 of the Internal Revenue Code applied.
[]		[ ]		[ ]	(6) If my basis in the residence is determined by reference to the basis in the hands of a person who acquired the residence in an exchange to which section 1031 of the Internal Revenue Code applied, the exchange to which section 1031 applied occurred more than 5 years prior to the date I sold or exchanged the residence.
PART Unde			ies		r Certification (All sellers must sign) ury, I certify that all of the above information is true as of the end of the day of the sale or exchange.
Signat	re c	f Sel	ler		Date
	ire c	f Sel	ler		Date

# Purchase Contracts, Addends, Receipts & Commission Instructions

	delete its provisions or to use a differe			
		EARNEST MONEY		
rom calendar days after of	, 20 ("Offer Refer Acceptance (as defined in Sect After Acce age shall have four (4) calendar day	("Seller") the Propert tion 23), an Earnest eptance of the REPC is in which to deposit th	y described below and agrees to Money Deposit in the amount of by Buyer and Seller, and receip e Earnest Money into the Brokerage	\$ in the form t of the Earnest Money by the
1 PROPERTY-		OFFER TO PURC	HASE	
City of	, County of		, State of Utah, Zip	Tay ID No
	eference below to the term "Proper	rty" shall include the Pi	roperty described above, together w	ith the Included Items and water
shutters; window and mounted speakers; aff 1.2 Other Inc	and bulbs; bathroom fixtures and bulbs; bathroom fixtures and wi door screens; storm doors and wi ixed carpets; automatic garage door cluded Items. The following items the o included in this sale (check applic	indows; awnings; sate openers and accompa at are presently owned	llite dishes; all installed TV mount inying transmitters; security system; I and in place on the Property have b	ing brackets; all wall and ceiling fencing and any landscaping. been left for the convenience of
1.3 Excluded  1.4 Water Se	ere [ ] ARE [ ] ARE NOT additional litems. The following items are exclusived. The Purchase Price for the Preservice and irrigation water service.	onal items of personal duded from this sale: coperty shall include all	water rights/water shares, if any, tha	om Seller at Closing by separate
1.4 Water Securent culinary water ransferred to Buyer al rom this sale:	Items. The following items are excivice. The Purchase Price for the Preservice and irrigation water service, Closing by applicable deed or legal	onal items of personal duded from this sale:	property Buyer intends to acquire fr water rights/water shares, if any, tha The water rights/water shares will be	om Seller at Closing by separate
1.4 Water Secured culinary water ransferred to Buyer al from this sale:  2. PURCHASE PRI 2.1 Payment Purchase Price shall it	Items. The following items are excivice. The Purchase Price for the Preservice and irrigation water service, Closing by applicable deed or legal	onal items of personal items of personal items of personal ited from this sale:  roperty shall include all if any, to the Property.  instruments. The follow  Price for the Property is a) through 2.1(e) below	property Buyer intends to acquire from the water rights/water shares, if any, the the water rights/water shares, if appropriate the water rights/water shares rights/water shares, if appropriate the water rights/water shares righ	om Seller at Closing by separate tare the legal source for Seller's conveyed or otherwise solicable, are specifically excluded ot as provided in this Section, the
written agreement.  1.3 Excluded  1.4 Water Se current culinary water transferred to Buyer al from this sale:  2. PURCHASE PRI 2.1 Payment Purchase Price shall t as deemed necessary  \$	Items. The following items are exci vice. The Purchase Price for the Pr service and irrigation water service, Closing by applicable deed or legal CE of Purchase Price. The Purchase ie paid as provided in Sections 2.1(6 by Buyer and the Lender (the *Lend 	onal items of personal studed from this sale: coperty shall include all if any, to the Property. Instruments. The follow Price for the Property a) through 2.1(e) below ter?.	water rights/water shares, if any, the The water rights/water shares, if any the water rights/water shares, if approximater rights/water shares, if approximate and the water rights/water shares, if approximately a share water rights/water shares, if any the water rights/water shares, if any, the water rights/water shares, if approximate and the water rights/water shares, if approximate ri	om Seller at Closing by separate that are the legal source for Seller's conveyed or otherwise blicable, are specifically excluded on the specifically excluded on the specifical of the section, the 2.1(c) and 2.1(e) may be adjusted
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written agreement.  1.3 Excluded  1.4 Water Se current culinary water transferred to Buyer al from this sale:  2. PURCHASE PRI 2.1 Payment Purchase Price shall t as deemed necessary  \$ \$ \$ \$ \$ \$ 2.2 Sale of B portion of the cash rel affirmative, the terms t 3. SETILEMENT S  3.1 Settlement	Items. The following items are excive. The Purchase Price for the Preservice and irrigation water service, Closing by applicable deed or legal  CE.  Of Purchase Price. The Purchase is paid as provided in Sections 2.1(by Buyer and the Lender (the "Lend" (a) Earnest Money Depos refundable.  (b) Additional Earnest Money Company (d) Seller Financing (d) Seller Financing (e) Balance of Purchase Funched in Section 2.1(e) above referred in Section 2.1(e) above referred in Section 2.1(e) above referred in Section 2.1(e) above 3.1(e) above 3	onal items of personal duded from this sale: coperty shall include all if any, to the Property instruments. The follow price for the Property a) through 2.1(e) below ter?.  Sit. Under certain concording to the Property of provided PHAVA Loan Adde (see attached Seller Fir Price in Cash at Settle of lines (a) through [5 [1] IS NOT conditioner's property addendulater than the Settlern the Settlern of the Property addendulater than the Settlern the Settlern or property addendulater than the Set	water rights/water shares, if any, the The water rights/water shares will be wing water rights/water shares will be wing water rights/water shares, if applying water rights/water shares, if applying water rights/water shares, if applying shares, if applying shares, if applying shares, and the shares water shares water shares and the shares water shares wate	om Seller at Closing by separate  it are the legal source for Seller's conveyed or otherwise solicable, are specifically excluded  ot as provided in this Section, the c.1(c) and 2.1(e) may be adjusted deposit may become totally non- cceptable to Buyer: If an FHANA  Section 2.1(c) above, and/or any wheel by Buyer. If checked in the 1.24(d), or as otherwise mutually

and delivered to each other or to the escrowlolosing office all documents required by the REPC, by the Lender, by the title insurance and escrowlolosing offices, by written escrow instructions (including any split closing instructions, if applicable), or by applicable law; (b) any monies required to be paid by Buyer or Seller under these documents (except for the proceeds of any Loan) have been delivered by Buyer or Seller to the other party, or to the escrowlolosing office, in the form of cash, wire transfer, cashier's check, or other form acceptable to the escrowlolosing office.

- 3.2 Closing. For purposes of the REPC, "Closing" means that (a) Settlement has been completed; (b) the proceeds of any new Loan have been delivered by the Lender to Seller or to the escrow/closing office; and (c) the applicable Closing documents been recorded in the office of the county recorder ("Recording"). The actions described in 3.2 (b) and (c) shall be completed no later than four calcade days after Settlement.
- 3.3 Possession. Except as provided in Section 6.1(a) and (b), Seller shall deliver physical possession of the Property to Buyer as follows: [ ] Upon Recording; [ ] Hours after Recording; [ ] Calendar Days after Recording. Any contracted rental of the Property prior to or after Closing, between Buyer and Seller, shall be by separate written agreement. Seller and Buyer shall each be results for any insurance coverage each party deems necessary for the Property including any personal property and belongings. The provisions of this Section 3.3 shall survive Closing.
  - PRORATIONS / ASSESSMENTS / OTHER PAYMENT OBLIGATIONS.
- 4.1 Prorations. All prorations, including, but not limited to, homeowner's association dues, property taxes for the current year, rents, and interest on assumed obligations, if any, shall be made as of the Settlement Deadline referenced in Section 24(d), unless otherwise agreed to in writing by the parties. Such writing outly include the settlement statement. The provisions of this Section 4.1 shall survive 4.1 shall survive.
- 4.2 Special Assessments. Any assessments for capital improvements as approved by the homeowner's association ("HOA") (pursuant to HOA governing documents) or as assessed by a manicipality or special improvement district, prior to the Settlement Deadline shall be paid for by: [] Seller [] Buyer [] Split Equally Between Buyer and Seller [] Other (explain)
- 4.3 Fees/Costs/Payment Obligations.

Page 2 of 6 pages Buver's Initials

- (a) Escrow Fees. Unless otherwise agreed to in writing, Seller and Buyer shall each pay their respective fees charged by the escrow/closing office for its services in the settlement/closing process. The provisions of this Section 4.3(a) shall survive Closing.
- (b) Fental DepositsPrepaid Rents. Rental deposits (including, but not limited to, security deposits, cleaning deposits and prepaid rents) for long term lease or rental agreements, as defined in Section 6.1 (b), not expiring prior to Closing, shall be paid or credited by Seller to Buyer at Settlement. The provisions of this Section 4.3 (b) shall survive Closing.
- (d) Utility Services. Buyer agrees to be responsible for all utilities and other services provided to the Property after the Settlement Deadline. The provisions of this Section 4.3(d) shall survive Closing.
- (e) Sales Proceeds Withholding. The escrow/dosing office is authorized and directed to withhold from Seller's proceeds at Closing, sufficient funds to pay off on Seller's behalf all mortgages, trust deeds, judgments, mechanic's liens, tax liens and warrants. The provisions of this Section 4.3(e) shall survive Closing.
- CONFIRMATION OF AGENCY DISCLOSURE. Buyer and Seller acknowledge prior written receipt of agency disclosure provided by their respective agent that has disclosed the agency relationships confirmed below. At the signing of the REPC;

Seller's Agent(s) Utah Real Estate License Number(s):

Seller's Brokerage Utah Real Estate License Number:

Seller's Brokerage Utah Real Estate License Number:

Buyer's Agent(s) Utah Real Estate License Number:

Buyer's Agent(s) Utah Real Estate License Number:

Buyer's Brokerage Utah Real Estate License Number:

Buyer's Agent(s) Utah Real Estate License Number:

Buyer's Agent(s) Utah Real Estate License Number:

Buyer's Brokerage Utah Real Estate License Number(s):

Buyer's Brokerage Utah Real Estate License Number(s):

Buyer's Brokerage Utah Real Estate License Number:

Buyer's Brokerage Utah Real Estate License Number:

Title & TITLE NSURANCE.

6.1 Title to Property. Seller represents that Seller has fee title to the Property subject to the contents of the Commitment for Title Insurance (the Commitment) provided by Seller under Section 7, and as reviewed and approved by Buyer under Section 8.

"Commitment") provided by Selfer under Section 7, and as reviewed and approved by Buyer under Section 8.

(a) Long-Term Lease or Rental Agreements. Buyer agrees to accept title to the Property subject to any long-term tenant lease or rental agreements (meaning for periods of thinty (30) or more consecutive days) affecting the Property not expiring prior to Closing. Buyer also agrees

Seller's Initials

to accept title to the Property subject to any existing rental and property management agreements affecting the Property not expiring prior to Closing.





#### Confirmation of Receipt of Earnest Money

BUYER:	<del></del>
BUYER'S AGENT:	
BUYER'S BROKERAGE:	
SELLER:	
SELLER'S AGENT:	
SELLER'S BROKERAGE:	
PROPERTY:	
CITY, COUNTY, UTAH, ZIP	
CONFIRMATION OF RECEIPT OF EARNEST MONEY. In reference to Offer Reference Date of, between Buyer and Seller regarding the that on(Date) the Buyer's Brokerage received Earnest Money form of (check applicable box):	above-described Property, this document confirms
[ ] direct wire transfer into our Real Estate Trust Account (must be signe [ ] personal check [ ] cashier's check [ ] other (describe)	
Name (Print) (Po	esition)
Signature Da	ite Time
This form is COPYRIGHTED by the UTAH ASSOCIATION OF REALTORS® for use so copying or distribution without written consent is prohibited. NO REPRESENTATION OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DE	IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY
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Page 1 of 1

# Earnest Money Receipt



#### Resolution of Earnest Money Dispute (Mutual Release)



BUYER:					
BUYER'S BROKERAGE: _					
SELLER:					
SELLER'S BROKERAGE:					
PROPERTY:		CITY	r	COUNTY	UTAH, ZIP
Date of e cancelled. Seller, Seller's Bromutually release each other addenda, counteroffers, and [ ] Title Company (Name):_	ntered into betwo bkerage, Buyer from all obliga exhibits). The	ween Buyer and Sell and Buyer's Broker tions, claims, liabilit Earnest Money Dep	ler for the pur age, and thei y, and dema posit in this tr [] Other ([	rchase and sale of the r respective owners, nds arising out of the ansaction is being he Describe):	REPC) with an Offer Reference e above-referenced Property is brokers and agents, do hereby e REPC (including any and all eld by: [ ] Buyer's Brokerage The to disburse the Earnest Money
[ ] \$ to Seller; [ ] \$ to Buyer; [ ] \$ to Other (					
Dispute.  3. COMPLETE AGREEME constitutes the entire agre representations, warranties,  4. ELECTRONIC TRANSM	NT. This Resc eement betwee understandings ISSION AND C Money Dispute counterparts.	plution of Earnest Nen the parties and sor contracts between COUNTERPARTS. Ee shall be the same	Money Disput superseder the parties	ite, together with an s and replaces any i. nsmission (including e	Resolution of Earnest Money  y attached exhibits/addenda, y and all prior negotiations,  email and fax) of a signed copy Resolution of Earnest Money
Seller	Date	Buyer		Date	
Seller	Date	Buyer		Date	
Seller's Brokerage			Buyer	's Brokerage	
Principal/Branch Broker		Date	Princ	cipal/Branch Broker	Date
This form is COPYRIGHTED by to copying or distribution without to OF ANY PROVISION OF THIS FOR APPROPRIATE PROFESSIONAL	written consent is ORM IN ANY SPEC	prohibited. NO REPRI	ESENTATION I	S MADE AS TO THE LE	GAL VALIDITY OR ADEQUACY
COPYRIGHT® UTAH ASSOCIAT	ION OF REALTO	RS® - 8.25.11 - ALL RIG	GHTS RESERV	ED	UAR FORM 48
Page 1 of 1					

# Earnest Money Release

# Earnest Money Recommendations from the UID



Insurance Department

The Utah Land Title Association (ULTA) created two forms to assist in drafting terms of an escrow agreement:

The laws that govern escrow include Utah Code Section 31A-23a-406. Under that statute, title insurance producers may only use earnest money held in escrow to "fulfill the terms of the individual escrow under which the money was accepted." Utah Code Section 31A-23a-406(3)(b). Proper use of escrow funds is determined by the terms of the written escrow agreement. The terms of an escrow may include provisions for reimbursement of the producer for fees and costs arising from legal actions filed by the producer when the parties cannot agree on disbursement of earnest money. Title insurance producers that agree to conduct escrow should use detailed written escrow instructions that clearly and unambiguously describe the terms upon which funds are held and disbursed. The instructions need to be agreed to in writing by the parties to the real property transaction (normally the buyer and seller) to be enforceable.

Utah Code Section 31A-1-301 (60)

The laws that govern escrow include Utah Code Section 31A-23a-406. Under that statute, title insurance producers may only use earnest money held in escrow to "fulfill the terms of the individual escrow under which the money was accepted." Utah Code Section 31A-23a-406(3)(b). Proper use of escrow funds is determined by the terms of the written escrow agreement. The terms of an escrow may include provisions for reimbursement of the producer for fees and costs arising from legal actions filed by the producer when the parties cannot agree on disbursement of earnest money. Title insurance producers that agree to conduct escrow should use detailed written escrow instructions that clearly and unambiguously describe the terms upon which funds are held and disbursed. The instructions need to be agreed to in writing by the parties to the real property transaction (normally the buyer and seller) to be enforceable.

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## Regarding Earnest Money Receipt

	Title Company (the "Company")							
	Re:	Seller:						
		Buyer: Property Address:						
describe conditio	ed to be ons (the	held and disposed of "Agreement"):	by the Company in acc		wing documents and money as hereinafter tructions and upon the following terms and pany:			
		he sum of \$ heck, or □ wire, which		arnest Money") in the form of a non-interest-bearing trust acc	a (check one) □ personal check, □cashier's count; and			
		copy of a fully execute uyer and Seller.	ed Real Estate Purchase	: Contract dated	_ (the "Purchase Agreement"), between			
2.	<ol> <li>The terms of this Agreement shall control and supersede those of the Purchase Agreement with respect to the handling and eventual disbursement of the Earnest Money by the Company, including but not limited to Paragraphs 8.1(b), 8.2(a), and 8.3(b). The terms of this Agreement shall not, however, in any event be interpreted to modify the rights and remedies set forth in Paragraph 16.</li> </ol>							
3.				the Purchase Agreement (the " er or as otherwise directed in wr	Transaction"), the Earnest Money shall be iting by Buyer.			
4.		If the Transaction is cancelled or does not close for any reason, the Company will disburse the Earnest Money only after receipt of mutual written instructions from Buyer and Seller.						
5.	Buyer absolu purpos	If the Company becomes aware of a dispute between Buyer and Seller or has not received mutual written instructions from Buyer and Seller within sixty (60) days after the settlement deadline, the Company shall be entitled, at the Company's sole and absolute discretion, to (i) refrain from acting until the dispute has been resolved; and/or (ii) file an action in interpleader for the purpose of having the respective rights of the claimants adjudicated and deposit with the court the Earnest Money and all documents held hereunder.						
6.	the Ea	imest Money as set for it all claims, liability, da iing from, these instruc uyer further agree that	rth above. Seller and B amages, expenses, and ctions (including, withou in the event of a disput	Buyer shall jointly and severally attorney's fees that the Compai ut limitation, the holding of the	nstructions other than to hold and disburse indemnify and hold the Company harmless ny may incur or sustain in connection with, Earnest Money) or the Transaction. Seller a portion of the Earnest Money to cover any ses and court costs.			
	and Bu	t may incur as a result						
	and Bu	it may incur as a result						
Buyer	and Bu	t may incur as a result	Date	Seller	Date			
Buyer	and Bu	it may incur as a result	Date Date	Seller Seller	Date			
Buyer	and Bu							

Escrow	File Number:
	RELEASE OF EARNEST MONEY AGREEMENT
Buyer(	elease of Earnest Money Agreement (the "Agreement") is entered into by and between the undersigned  ) and Sellers(s) with respect to certain real property located at,  of, State of Utah.
	RECITALS
A.	Buyer and Seller have entered into a Real Estate Purchase Contract (the "Contract") dated the
	of,20
B.	(the "Company") has been requested to perform escrow services with respect to the Contract and has been requested to hold the earnest money deposit in the amount of \$\( \) (the "Deposit"), which was delivered by or for the Buyer to the Company in connection with the Contract.
C.	Buyer and Seller desire that the Company release the Deposit in accordance with the terms and conditions of this Agreement.
NOW 1	THEREFORE, Buyer and Seller do hereby agree as follows:
1.	The Deposit shall be released and disbursed by the Company to Buyer Seller on the day of, 20, in accordance with these instructions.
2.	Buyer and Seller jointly and severally agree to indemnify and defend the Company of and from any and all damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.
	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement
3.	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.
3.	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.  ERS:
3.	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.
3.	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.  ERS:
3. SELLI	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.  ERS:  Phone Number:
3. SELLI	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.  ERS:  Phone Number:  Phone Number:
3. SELLI	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.  ERS:  Phone Number:  Phone Number:
3. SELLI	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall be picked up at the Company; Wire Transferred; (\$ charge - wiring instructions will be provided); mailed; or sent by overnight courier (\$ charge) to the address shown below.  ERS:  Phone Number:  Phone Number:  Phone Number:  Phone Number:
3. SELLI Forwa	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.  ERS:
3. SELLI Forwa:	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$ charge - wiring instructions will be provided); mailed; or sent by overnight courier (\$ charge) to the address shown below.  ERS:
3. SELLI Forwa:	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall bepicked up at the Company;Wire Transferred; (\$charge - wiring instructions will be provided);mailed; orsent by overnight courier (\$charge) to the address shown below.  ERS:
3.  SELLI  Forwa:	damages, claims, demands, obligations, actions, or liabilities including but not limited to attorney's fees and costs arising from or relating to the performance and compliance by the Company with this Agreement and these instructions.  The Deposit shall be picked up at the Company; Wire Transferred; (\$ charge - wiring instructions will be provided); mailed; or sent by overnight courier (\$ charge) to the address shown below.  ERS:  Phone Number:  Phone Number:

#### 

# Title Company Earnest Money Addendum

<u>ATTENTION:</u> Buyer and Seller are advised that the Title Insurance Company may require, through separate written instructions, that BOTH the Buyer and Seller mutually authorize disbursement of the Earnest Money Deposit, even if the REPC states that no additional written authorization is required, which may result in additional delays and costs for either party to receive the Earnest Money Deposits

Buyer and Seller acknowledge that the Utah Division of Real Estate has no authority over the Title Insurance Company's release or disbursement of the Earnest Money Deposit.



# Purchase Contracts, Addends, Receipts & Commission Instructions

- 1.1 Included Items. Unless excluded herein, this sale includes the following items if presently owned and in place on the Property: plumbing, heating, air conditioning fixtures and equipment; solar panels; ovens, ranges and hoods; cook tops; dishwashers; ceiling fans; water heaters; water softeners; light fixtures and bulbs; bathroom fixtures and bathroom mirrors; all window coverings including curtains, draperies, rods, window blinds and shutters; window and door screens; storm doors and windows; awnings; satellite dishes; all installed TV mounting brackets; all wall and ceiling mounted speakers; affixed carpets; automatic garage door openers and accompanying transmitters; security system; fencing and any landscaping.
- 1.2 Other Included Items. The following items that are presently owned and in place on the Property have been left for the convenience of the parties and are also included in this sale (check applicable box): [ ] washers [ ] dryers [ ] refrigerators [ ] microwave ovens [ ] other (specify)

The above checked items shall be conveyed to Buyer under separate bill of sale with warranties as to title. In addition to any boxes checked in this Section 1.2 above, there [ ] ARE [ ] ARE NOT additional items of personal property Buyer intends to acquire from Seller at Closing by separate written agreement.

Who prepares the bill of sale? (The REPC <u>is</u> instructions)

# Purchase Contracts, Addends, Receipts & Commission Instructions

1.4 Water Service. The Purchase Price for the Property shall include all water rights/water shares, if any, that are the legal source for Seller's current culinary water service and irrigation water service, if any, to the Property. The water rights/water shares will be conveyed or otherwise transferred to Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are specifically excluded from this sale:

- Nothing new here...but: The following water rights/water shares, if applicable, are specifically excluded from this sale:
- In other words...if not specifically excluded, the water shares for culinary water and irrigation water are included.

# Purchase Contracts, Addends, Receipts & Commission Instructions

Purchase Price shall be p	thase Price. The Purchase Price for the Property is \$ Except as provided in this Section, the as provided in Sections 2.1(a) through 2.1(e) below. Any amounts shown in Sections 2.1(c) and 2.1(e) may be adjusted ar and the Lender (the "Lender").
\$	(a) Earnest Money Deposit. Under certain conditions described in the REPC, this deposit may become totally non-refundable.
\$	(b) Additional Earnest Money Deposit (see Section 8.4 if applicable)
\$	(c) New Loan. Buyer may apply for mortgage loan financing (the "Loan") on terms acceptable to Buyer: If an FHA/VA loan applies, see attached FHA/VA Loan Addendum.
\$	(d) Seller Financing (see attached Seller Financing Addendum)
\$	(e) Balance of Purchase Price in Cash at Settlement
\$	PURCHASE PRICE. Total of lines (a) through (e)

## FHA Addendum

#### FHA/VA LOAN ADDENDUM TO REAL ESTATE PURCHASE CONTRACT

THIS IS AN ADDENDUM to that REAL ESTATE PURCHASE CO	
as Buyer, and	as Seller, regarding the Property located at The following terms are hereby
incorporated as part of the REPC. All references to FHAVA sha of Veterans Affairs. (CHECK APPLICABLE BOXES)	
1. Buyer [ ] DOES [ ] DOES NOT intend to occupy the P	roperty as his/her residence.
2. Buyer shall not be obligated to complete the purchase of Earnest Money Deposit or other down payment, or otherwise be the Purchase Price exceeds the reasonable value of the Property or VA appraisal; or (b) for an FHA loan, the Purchase Price ex- closing costs) established by the FHA appraisal. Buyer shall, how to the amount of the appraised valuation made by the applicable determine the maximum loan that FHA will insure or VA will gus condition of the Property. Buyer should satisfy himself/herself tha Buyer acknowledges that an FHA/VA appraisal does not constitute.	obligated to purchase the Property, if: (a) for a VA loan, restablished by the VA Certificate of Reasonable Value sceeds the appraised value of the Property (excluding rever, have the right to complete the sale without regard e FHA or the VA. The appraised valuation is used to arantee. Neither FHA nor the VA warrants the value or t the price and condition of the Property are acceptable.
3. Seller shall make any and all appraisal required repairs, p	rovided that the cost does not exceed \$
<ol> <li>If required by applicable FHA or VA rules, Seller shall fu the Property to be free and clear from termite infestation. In the same and repair any damage at Seller's expense, provided that the</li> </ol>	e event of termite infestation, Seller shall eradicate the
<ol> <li>There are certain costs associated with the granting of a Buyer to pay. (Check applicable box):</li> </ol>	mortgage loan, some of which FHA/VA will not allow the
5.1 [ ] Seller shall contribute at settlement an am loan and closing related costs ("Loan Costs"). The amount contribution shall first be applied to Loan Costs that FHAVA wi allocated at Buyer's discretion toward remaining Loan Costs. Sell the amount of Seller's contribution exceeds the amount of actu Seller. Seller's agreement to contribute toward payment of Loan 3 of the REPC.	of Seller's contribution shall be \$ Such Il not permit Buyer to pay, and any remainder shall be er shall have no further obligation toward Loan Costs. If al Loan Costs, then such excess shall be returned to
5.2 [ ] Seller shall not contribute any amount tow	vard Loan Costs.
<ol> <li>[APPLIES TO FHA ONLY] The undersigned hereby certi knowledge and belief, and that any other agreement entered int attached to the REPC.</li> </ol>	
<ol> <li>If any provision in the REPC or this ADDENDUM is in FHAVA loan transactions, then to the extent of such inconsistence</li> </ol>	
Page 1 of 2 pages Buyer's Initials Date	Seller's Initials Date

ot modified by this ADDENDU lountain Time le provisions of Section 23 of pse.	(Date)	, to accept the	terms of this FHA/VA	LOAN ADDEN	DUM in accor	rdance with
] Buyer [ ] Seller Signature	Date	Time	[ ] Buyer [ ] Selle	r Signature	Date	Time
	ACCEPT	TANCE/COUN	ITEROFFER/REJECT	ON		
HECK ONE:						
] ACCEPTANCE: [ ] Se	eller [ ] Buye	er hereby acce	epts the terms of this F	HA/VA LOAN A	DDENDUM.	
] COUNTEROFFER: [ ]	Seller [ ] Bu	yer presents	as a counteroffer the te	erms of attached	ADDENDU	/ NO
] REJECTION: [ ] Seller	[ ] Buyer rej	ects the foreg	oing FHA/VA LOAN A	DENDUM.		
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
Signature)	(Date)	(Time)	(Signature)		(Date)	(Time)
THIS FORM APPROVED BY EFFECTIVE AUGUST 27, 2008. AS	THE UTAH REAL	LESTATE COMM 2009, IT WILL RE	NISSION AND THE OFFICE		TORNEY GENEI	RAL,

## A small checklist

- Complete Contract
- Earnest Money Receipt
- Evidence of Capacity
  - Corporate/LLC/Est ate
- Title Report
- Surveys & Plats
- Seller Disclosures
- Property Management Agreements

- Title Report
  - Document Copies
- SettlementStatement
- Commission
   Instructions
- Rents Roll,
   Deposits, Copies of Leases
- Invoices for repairs



#### Agent Communication Checklist-Seller

Clear communication is crucial for a successful settlement & closing experience.

#### Pre-Listing

	Obtain property profile, dedicated plat, abstract & vesting deed	copy t	rom title	
	<ul> <li>Verify authority of the signers (Family Trust? LLC? Estate</li> </ul>	/Prob	ate?)	
	<ul> <li>Partnership, LLC and Corporation may require Unanimous</li> </ul>	us Cor	sent	
	Provide/Prepare Seller Net Sheet			
	Listing & Offer P	тера	ration	
_				
	Identify seller preference for title & settlement services		Seller Contact information shared with Settlement	
	Order Title report	_	agent	
	<ul> <li>Is the seller party to a divorce, bankruptcy or other court</li> </ul>	ч.	Seller has provided title company:	
_	proceeding?		SSN, EIN, DOB	
	Do seller names match vested owner on PR?		□ HOA, Mortgage & Creditor Account Information	
_	☐ FIRPTA Considerations?		☐ Borrower Authorization (NO E-Signature)	
	Order copies of CCR's, obtain Minutes/budget from HOA		□ Copy of Family Trust/Declaration of Trust	
	Is the home or condo FHA or VA approved? Property Management Info., Rent Rolls & Lease			
	Water Right/Water Shares Information		Agreements to Title, Lender & Buyer Agent	
	Under Cor	atraci		
	Officer Cor	itrac		
	Verification of earnest money receipt		Estimated Settlement Statement requested/shared with	
	Commission Instructions sent to title		seller	
	Home warranty ordered (if applicable)		Family Trust, LLC or Corporate documents approved by	
	<ul> <li>Invoice sent to title &amp; buyer agent</li> </ul>	_	title	
	Fully executed & complete contract shared		Power of Attorney prepared/reviewed by title (if applicable)	
	<ul> <li>Agents, Title, Buyer, Seller, Lender</li> </ul>		applicable)	
	Seller Disclosures, CCR's & Title Commitment sent to buyer			
	agent			
	Approaching Settleme	nt an	d Closing Day	
	Repair Invoices sent to title (Credit to buyer for repairs is		Settlement Statement reviewed by agent	
	generally not allowed by lender)		Settlement Statement sent to seller	
	Seller has proper ID in possession	_	Statement of Authority prepared for LLC	
	Any change to Purchase Contract Shared	_	Settlement scheduled with all parties	
	□ Agents, Title, Buyer, Seller, Lender		Documents received from lender for buyer	
	Title has contact information & forwarding address for seller	_	Seller has planned for proceeds	
	(1099 form)	_	Original death certificates obtained	
	Title advised of seller special needs	_	Seller understands the settlement-funding-recording-	
	<ul> <li>Physical limitations, Time constraints, location</li> </ul>	_	closing sequence (aka, when their \$ is ready)	
	constraints, et.		Utility changeover coordinated with buyer	
	Final Rent Roll information to title			
	<b>.</b>			



#### Agent Communication Checklist- Buyer Clear communication is crucial for a successful settlement & closing experience.

#### Pre-Offer

	Pre-approved & pre-qualified buyer?							
	Obtain property profile, dedicated plat, abstract & vest	ingd	eed copy from title					
	Approved Offer- Bu	yer	due Diligence					
0 0000 0	Identify buyer preference for title & settlement services Coordinate with Lender to order Title report Title commitment reviewed with buyer Request copies of CCR's, Bylaws and HOA information Verify the home or condo FHA or VA approved (if applicable) If the buyer is a family trust, provide trust copy or certification to title Partnership, LLC and Corporation may require Unanimous Consent	0	Deliver of earnest money check  Payable to Backman Title Services (if applicable)  Verify buyer names on contract match loan application  Home warranty ordered (if applicable)  Fully executed & complete contract shared  Agents, Title, Buyer, Seller, Lender  Power of Attorney approved by lender & title (if applicable)					
	Approaching Settlement							
0 0	Commission Instructions sent to title  Home warranty ordered (if applicable)  Invoice sent to title & buyer agent  Fully executed & complete contract shared  Agents, Title, Buyer, Seller, Lender  Invoices for repairs paid in closing sent to title  Title advised of buyer special needs		How does the buyer want to hold title?  Add a spouse to title as a joint tenant? Transfer property to family trust? Remember good funds- Help the buyer request wiring instructions prior to settlement Help buyer understand the settlement-funding-recording-closing sequence (aka, when their keys are available)					
0	Physical limitations, Time constraints, location constraints, et.  Buyer has proper ID (Driver license, passport, et)  Rent Rolls reviewed by buyer/lender (if applicable)  Help buyer prepare to limit distractions.  Help parents anticipate their children's needs if they accompany parents to settlement	0	Utility list given to buyer with instructions Utility changeover coordinated with seller					





#### **REAL ESTATE BROKERAGE COMMISSIONS - ESCROW INSTRUCTIONS**

	sions (the "Commissio	ns") for the real estate transaction be	ow/closing office for the payment of B tween Property located at	, as Buyer, and
the "Pr	operty").	ao conor, rogaramy are	Tropony located at	
1.		sion Agreement. The Seller's Brok t of the Commissions directly to the B	erage and Buyer's Brokerage authori uyer's Brokerage as follows:	ze the escrow/closing office to
	\$	or% of th	e Purchase Price.	
2.	Additional Terms			
3. THE UN	Brokerage and Buyer	• •	laces any previous compensation ag compensation offered on a Multiple L	
Seller's	Broker (Signature of Pri	ncipal Broker or Managing Broker)	Buyer's Broker (Signature of Princip	oal Broker or Managing Broker)
Seller's	Agent (Name)	(Signature)	Buyer's Agent (Name)	(Signature)
Compar	ny/Brokerage		Company/Brokerage	
Phone #	<b>‡</b>	(Date)	Phone #	(Date)

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**UAR FORM 74** 

## Purchase Contracts, Addends, Receipts & Commission Instructions



## Common Instructions found in Purchase Contracts

- Water Rights
- Earnest Money Deadlines & Requirements
- Repairs
- Authority of the signers
- Buyer & Seller Default Options
- Contract Deadlines
- Agent payment instructions
- Rent, lease & deposit requirements

## Lender Instructions

- Chase Home Finance
  - -6 pages
- Bank of America
  - 25 Pages
- Provident Funding
  - 6 Total Pages
- America First Credit Union
  - -2 or 3 pages
- Axiom Financial
  - -6 Pages
- Wells Fargo
  - -6-8 Pages

LENDEI  AXIOM F 9350 SOU' SANDY, U Phone: (8) Fax: (801) Loan Clost Loan Offic  BORRO' Borrower: Vesting: V Property A Layton, U' Mailing Ac Layton, U'I	FUNDING/D  Closing UTAH no later  Provide mutation  Provide do	Pol	e Title Company mus licy) covering the pro	mail the HUD-1 Settlement Statement and Wire Instructions to the Loan Closer for approval.  Please provide an e-mail address for the delivery of the loan documents.  When the HUD-1 Settlement Statement has been approved, an e-mail will be sent to the settlement agent that will provide a password protected ink to down load and print the loan documents. The final Loan Application will be sent in a separate password protected e-mail. The password is the last four digits of the primary borrower's Social Security Number.  PUNDING/DISBURSEMENT:  Closing documents must be delivered to AXIOM FINANCIAL, LLC at 9350 SOUTH 150 EAST, STE 140, SANDY, UTAH 84070 by 12:30 pm on the day of funding. Any trailing documents or additional requests by the lender must be met no later than 2:00pm to meet our wire cutoff deadline.  Provide an updated preliminary title report dated within 60 days of closing. All borrowers names and property address  the in a position to issue an extended coverage ALTA Lenders Policy of Title Insurance (Tperty described in the Security Instrument and insuring the validity and first priority positions).	itle n of the
PRE-CLO DO All l Lens All l Lens Lens Prov	an cle cle life for du list Ke Int cir life the FII	a) b) c)	In Schedule A of th AXIOM FINANCE property shall be sh Schedule B, Part I of exceptions shown of on the Title Policy, shown as paid. The Title Policy mu 5-PUD, 6-ARM, 6.	ument on the property subject to the following:  Title Policy the amount of insurance shall be \$ 172,720.00, the name of the insured shall be AL, LLC, title to the property shall be shown to be vested William L Barnes, the interest own as a fee simple and the insured mortgage is to be described as the Security Instrument. If the Title Policy shall contain only current but not delinquent property taxes and assessment in the preliminary title report dated October 24, 2008 as item numbers 10-18 are approved to All taxes relating to the property that are to have been paid as of the date of the Title Policy st contain the following Endorsements: 100, 116, 8.1. And, if applicable to this loan, 4-02-NEG AM, 7-MFD HOME, 352.7A-BALLOON.  The property subject to the property shall be \$ 172,720.00, the name of the insured s	in the ats and appear shall be
Pow	AXI prop b) Sche exce on th show c) The 5-PI  The Title of record	9350 SOUTE SANDY, UT PH TOLL FREE LOAN PROOF I TOLL FREE I hereby certify closed loan meet Requirements at Settlement Agen	1109. Lende 1110. Owner 1111. Wire I 1112. Courie 1113. Endor 1200. GOVE 1201. Recore 1202. City/cc 1203. State t 1204. 1ST M 1205. 2ND M 1300. ADDE 1301. Survey 1302. Pest in 1303. 1304. 1305.  PAYOFFS 1 2008 TAX	Policy) covering the property described in the Security Instrument and insuring the validity and first priority position of the lien of the Security Instrument on the property subject to the following:  a) In Schedule A of the Title Policy the amount of insurance shall be \$172,720.00, the name of the insured shall be AXIOM FINANCIAL, LLC, title to the property shall be shown to be vested William L Barnes, the interest in the property shall be shown as a fee simple and the insured mortgage is to be described as the Security Instrument. b) Schedule B, Part I of the Title Policy shall contain only current but not delinquent property taxes and assessments and exceptions shown on the preliminary title report dated October 24, 2008 as item unsers 10-18 are approved to appear on the Title Policy. All taxes relating to the property that are to have been paid as of the date of the Title Policy shall be shown as paid. c) The Title Policy must contain the following Endorsements: 100, 116, 8.1. And, if applicable to this loan, 4-CONDO, 5-PUD, 6-ARM, 6.2-NEG AM, 7-MFD HOME, 352.7A-BALLOON.  The Title Policy and original recorded Security Instrument are to be delivered to AXIOM FINANCIAL, LLC within 60 days of recording.  Hazard Insurance Company  Flood Insurance Company  Phone Number: Policy Number: Agent Name: 4  Phone Number: Agent Name: 4	

## Background-Dodd/Frank

In June 2009, President Obama proposed to address failures of consumer protection by establishing a new financial agency to focus directly on consumers, rather than on bank safety and soundness or on monetary policy. This new agency would heighten government accountability by consolidating in one place responsibilities that had been scattered across government. The agency would also have responsibility for supervision and enforcement with respect to the laws over providers of consumer financial products and services that escaped regular Federal oversight. This agency would protect families from unfair, deceptive, and abusive financial practices. The President urged Congress to give the consumer agency the same accountability and independence that the other banking agencies have and sufficient funding so it could ensure that powerful financial companies would comply with consumer laws.

In July 2010, Congress passed and President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Act created the Consumer Financial Protection Bureau (CFPB). The CFPB consolidates most Federal consumer financial protection authority in one place. The consumer bureau is focused on one goal: watching out for American consumers in the market for consumer financial products and services.





# Settlement includes HUD-1 & Truth in Lending

menury of Borrower's Treasaction  (Free Amount Day from Borrower  480, Orea Amount Day to Selev  480, Orea Amount Day to Selev  480, Corea Cales pick  480, Core		
Adjustment of the paid by seller in others of the COO COO COO COO COO COO COO COO COO CO	RESPA (Mostly)	ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.  4.441%  INTEREST RATE AND PA  Total of Payments The amount of credit provided to you or on your behalf.  O.88  Total of Payments The amount you will have paid after you have made all payments as your or on your behalf.  When the paid of the payments are the payme
Assessed Face by an is finded of Bernouse (miles of the control of	Title: Appells post on of the total disc insurance previous   \$   Title: Depending post on of the total disc insurance previous   \$   Title: Depending post on of the total disc insurance previous   \$   Title: Depending post of the total disc insurance previous   \$   Title: Depending post of the total disc insurance previous   \$   Title: Depending post of the total disc insurance previous   \$   Title: Depending post of the total disc insurance previous   \$   Title: Depending post of total post of total post of total post of total total disc insurance post of total total post of total post of total total post of total post o	Principal and Interest   \$761.78   \$761.78

Who prepares the HUD-1? Who prepares the TIL?

#### New- Loan Estimate & Closing Disclosure

#### FICUS BANK 4321 Random Boulevard • Somecity, ST 12340 Save this Loan Estimate to compare with your Closing Disclosure. Loan Estimate LOAN TERM 30 years PURPOSE Purchase DATE ISSUED 7/23/2012 PRODUCT Fixed Rate APPLICANTS John A. and Mary B. LOAN TYPE IXI Conventional II FHA II VA II 123 Anywhere Street LOAN ID# 123456789 Anytown, ST 12345 RATE LOCK NO MYES, until 9/21/12 at 5:00 p.m. EDT 456 Somewhere Avenue Before closing, your interest rate, points, and lender credits can Anytown, ST 12345 change unless you lock the interest rate. All other estimated closing costs expire on 8/6/12 at 5:00 p.m. EDT SALE PRICE \$180,000 Loan Terms Can this amount increase after closing? \$162,000 Loan Amount Interest Rate 3.875% NO \$761.78 NO Monthly Principal & Interest See Projected Payments Below for Your Total Monthly Payment Does the loan have these features? **Prepayment Penalty** NO **Balloon Payment** NO **Projected Payments** Payment Calculation Years 1-7 Years 8-30 \$761.78 \$761.78 Principal & Interest 82 Mortgage Insurance 206 206 Estimated Escrow Amount Can Increase Over Time **Estimated Total** \$968 \$1,050 Monthly Payment This estimate includes In escrow? X Property Taxes Estimated Taxes, Insurance \$206 X Homeowner's Insurance YES & Assessments a month Other: Amount Can Increase Over Time See Section G on page 2 for escrowed property costs. You must pay for other property costs separately. Cash to Close **Estimated Cash to Close** \$16,054 Includes \$8,054 in Closing Costs (\$5,672 in Loan Costs + \$2,382 in Other Costs - \$0 in Lender Credits). See details on page 2. Visit www.consumerfinance.gov/learnmore for general information and tools. LOAN ESTIMATE PAGE 1 OF 3 . LOAN ID # 123456789

#### This form is a statement of final loan terms and closing costs, Compare this **Closing Disclosure** document with your Loan Estimate. Closing Information Transaction Information John A. and Mary B. Loan Term 30 years Date Issued Purpose Purchase Closing Date 123 Anywhere Street Disbursement Date 9/14/2012 Anytown, ST 12345 Product Fixed Rate Epsilon Title Co. Steve C. and Amy D. Loan Type 🗵 Conventional 🗆 FHA 12-3456 321 Somewhere Drive 456 Somewhere Ave Anytown, ST 12345 OVA O Property Anytown, ST 12345 Loan ID # Ficus Bank 123456789 Sale Price \$180,000 MIC# 000654321 Loan Terms Can this amount increase after closing? \$162,000 Loan Amount 3.875% NO Interest Rate \$761.78 **Monthly Principal & Interest** NO See Projected Payments Below for Your Total Monthly Payment Does the loan have these features? Prepayment Penalty NO Balloon Payment Projected Payments Payment Calculation Years 1-7 Years 8-30 Principal & Interest \$761.78 \$761.78 Mortgage Insurance 82.35 Estimated Escrow 206.13 206.13 Estimated Total \$1,050.26 \$967.91 Monthly Payment This estimate includes In escrow **Estimated Taxes, Insurance** X Property Taxes YES \$356.13 X Homeowner's Insurance YES Amount Can Increase Over Time a month X Other: Homeowner's Association See Details on Page 4 See page 4 for escrowed property costs. You must pay for other property Cash to Close \$14,272.35 Includes \$9,729.54 in Closing Costs (\$4,694.05 in Loan Costs + Cash to Close \$5,035.49 in Other Costs - \$0 in Lender Credits). See details on page 2. CLOSING DISCLOSURE PAGE 1 OF 5 - LOAN ID # 123456789

### The Three Day Waiting Period

As we learned from the CFPB's website, loan disclosure and settlement forms aren't the only things that are set to change. According to their explanation of the final rule:

"The rule requires a three-day waiting period after issuing the Closing Disclosure before closing the mortgage." <a href="http://www.consumerfinance.gov/blog/explainer-how-the-final-tila-respa-rule-differs-from-the-proposal/">http://www.consumerfinance.gov/blog/explainer-how-the-final-tila-respa-rule-differs-from-the-proposal/</a>

The three day waiting period is meant to give borrowers more time "...to review their final loan terms and costs in an unpressured environment rather than at the closing table." <a href="http://www.consumerfinance.gov/newsroom/cfpb-finalizes-know-before-you-owe-mortgage-forms/">http://www.consumerfinance.gov/newsroom/cfpb-finalizes-know-before-you-owe-mortgage-forms/</a>

## More Escrow Instructions

- 1. Split Closing Instructions
- 2. Seller Instructions
  - Seller Proceeds
  - 1099 Reporting
  - 1031 Exchange
- 3. Buyer Instructions
  - Keys
- 4. Good Funds



### At Settlement

- The Documents must be signed
- Costs and fees must be reviewed
- Property transfer deeds must be signed/Acknowledged
- Money must change hands
- Parties to the transaction must be paid

## NOTE

Multist	ate	NOTE	Loan No. 1		
		MIN 1001454-0010 MERS TELEPHONE: (888) 679-63	FHA Case No.		7.
	November		: ,		!!D
	[Dute]				"Present require
					require :
		[Property Address]	34041	4	8.
1.	PARTIES "Borrower" means each person	signing at the end of this Note, and the pers	on's encessors and assigns "	I ender" means	0.
	-	AXIOM FINANCIAL, LLC	on a successors and assigns.	Donata Inclina	by deliv
and its s	uccessors and assigns.				given Le
2.	BORROWER'S PROMISE T	O DAY, INTEDEST		*	61,011
	In return for a loan received from	m Lender, Borrower promises to pay the pri	ncipal sum of		Paragrap
		Seven Hundred Twenty And 00/100 rest, to the order of Lender. Interest will b	be charged on unpaid principa	l. from the date of	1 alagia)
disburse	ment of the loan proceeds by I	Lender, at the rate of Six and 29/100 per			9.
	l has been paid.				,
	PROMISE TO PAY SECURE Borrower's promise to pay is se	ED ocured by a mortgage, deed of trust or simil	ar security instrument that is d	lated the same date	Note, in
as this I	Note and called the "Security In	astrument." The Security Instrument protect	cts the Lender from losses wh	nich might result if	obligate
	er defaults under this Note.				of this N
	MANNER OF PAYMENT (A) Time				each per
	Borrower shall make a payment	t of principal and interest to Lender on the	first day of each month beginn	ning on January 1,	amounts
2009. A Date,"	ny principal and interest remaini	ing on the first day of December, 2038 will	be due on that date, which is c	alled the "Maturity	
	(B) Place Payment shall be made at 9350 S	SOUTH 150 FAST STF 140			
SANDY	, UTAH 84070 or at such place	as Lender may designate in writing by notice	ce to Borrower.		BY SIG
	(C) Amount Each monthly payment of princi	ipal and interest will be in the amount of U.S	S. \$ 1,067.96. This amount	will be part of a	`
larger m	onthly payment required by the d in the Security Instrument.	Security Instrument, that shall be applied	to principal, interest and other	items in the order	
	(D) Allonge to this Note for	or payment adjustments			
		ment adjustments is executed by Borrowe hall amend and supplement the covenants of			•,
	Check applicable box]		<b>.</b>		
	[ ] Graduated Payment Allon	age [ ] Growing Equity Allonge	[ ] Other [specify]		
	BORROWER'S RIGHT TO P	REPAY e debt evidenced by this Note, in whole or i			
of any m	nonth. Lender shall accept prep	payment on other days provided that borro	wer pays interest on the amou	int prepaid for the	
prepaym	ent, there will be no changes in	uired by Lender and permitted by regulation the due date or in the amount of the mon	ns of the Secretary. If Borrow thly payment unless Lender as	ver makes a partial grees in writing to	
those cha	mges.				
	BORROWER'S FAILURE TO				
		all monthly payment required by the Securi			
	, by the end of fifteen calendar d of the overdue amount of each pa	lays after the payment is due, Lender may co	ollect a late charge in the amou	nt of Four percent	
	(B) Default	·			
Secretary	in the case of payment defaults	o pay in full any monthly payment, then Les s, require immediate payment in full of the	principal balance remaining d	ue and all accrued	
interest. circumsta	Lender may choose not to exer- inces regulations issued by the	cise this option without waiving its rights i Secretary will limit Lender's rights to rec	n the event of any subsequent quire immediate payment in f	default. In many	
payment	defaults. This Note does not	authorize acceleration when not permittee ing and Urban Development or his or her des	d by HUD regulations. As a	used in this Note,	
	(C) Payment of Costs and	Expenses			
		ate payment in full, as described above, I mary attorneys' fees for enforcing this Note			
		m the date of disbursement at the same rate		-> -FF-monovo mani	
FHA Mu	litistate Fixed Rate Note - 10/95	5			
		Peace 1 of 2			

#### AIVERS

prower and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. nt" means the right to require the Lender to demand payment of amounts due. "Notice of dishonor" means the right to der to give notice to other persons that amounts due have not been paid.

#### VING OF NOTICES

aless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given ng it or by mailing it by first class mail to Borrower at the property address above or at a different address if Borrower has er a notice of Borrower's different address.

sy notice that must be given to Lender under this Note will be given by first class mail to Lender at the address stated in 4(B) or at a different address if Borrower is given a notice of that different address.

#### BLIGATIONS OF PERSONS UNDER THIS NOTE

more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this ding the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also o do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser , is also obligated to keep all of the promises made in this Note. Lender may enforce its rights under this Note against individually or against all signatories together. Any one person signing this Note may be required to pay all of the red under this Note.

	(Seal)	(Seal)
•,	-Borrower	-Воггоwе
	(Seal)	(Seal)
	-Borrower	-Borrowe

	FIR	RST PAYMENT	LETTER		
Date: No	vember 13, 2008				
Loan No.:					
Gentlemen:					
We, the undersigned, on the following brea	understand our monthly mor	tgage payment will be	\$ 1,257.57 beginning	ng January 1, 2009 .	This figure is bas
	Principal and Interes Hazard Insurance Mortgage Insurance Taxes	\$	1,067.96 15.58 77.80 96.23		
	TOTAL PAYMENT:	: \$	1,257.57		
lso aware that the to	otal monthly payment may in		ower	ases or decreases in	annual taxes and
forrower		Borre	ower		
. 1	PLEASE USE THE ATTAC UNTIL YOUR	CHED COUPONS TO R PAYMENT COUPO			
Regular Paymen	UNTIL YOUR		Due Date		
Regular Paymen 1,257.57	UNTIL YOUR  It Late Charge 4.000%	Account No.	ONS ARE RECEIV	TOTAL PAID	
Regular Paymen 1,257.57 PLEASE RETUR	UNTIL YOUR  It Late Charge 4.000%  RN THIS COUPON WITH  c your account number on yo	Account No.  YOUR PAYMENT	Due Date 02/01/2009	/ED.	
Regular Paymen 1,257.57 PLEASE RETUR Remember to write	t Late Charge 4.000%  RN THIS COUPON WITH 'e your account number on yo edit.	Account No.  YOUR PAYMENT uur check or money ord	Due Date 02/01/2009	TOTAL PAID  Add'l Principal	
Regular Paymen 1,257.57  PLEASE RETUR Remember to writ to insure proper cr MAIL PAYMENT AXIOM FINANO PAYMENT PRO	t Late Charge 4.000%  EN THIS COUPON WITH to your account number on you edit.  TTO: CLAL, LLC CESSING	Account No.  YOUR PAYMENT uur check or money ord	Due Date 02/01/2009	TOTAL PAID  Add'l Principal	
Regular Paymen 1,257.57  PLEASE RETUR Remember to writ to insure proper cr MAIL PAYMENT AXIOM FINANC	t Late Charge 4.000%  RN THIS COUPON WITH 'e your account number on you dit.  TTO:  EIAL, LLC CESSING CESSING LEAST, STE 140	Account No.  YOUR PAYMENT ur check or money ord  BORR	Due Date 02/01/2009	TOTAL PAID  Add'l Principal	8) 656-5363
Regular Paymen 1,257.57  PLEASE RETUR Remember to writ to insure proper or MAIL PAYMENT AXIOM FINANC PAYMENT PRO 9350 SOUTH 150	t Late Charge 4.000%  RN THIS COUPON WITH 'e your account number on you dit.  TTO:  EIAL, LLC CESSING CESSING LEAST, STE 140	Account No.  YOUR PAYMENT ur check or money ord  BORR	Due Date 02/01/2009	TOTAL PAID  Add'l Principal  Add'l Escrow	8) 656-5363
Regular Paymen 1,257.57  PLEASE RETUR Remember to writ to insure proper or MAIL PAYMENT AXIOM FINANC PAYMENT PRO 9350 SOUTH 150	UNTIL YOUR  It Late Charge 4.000%  RN THIS COUPON WITH be your account number on you edit.  TTO: CIAL, LLC CESSING 1EAST, STE 140 84070	Account No.  YOUR PAYMENT ur check or money ord  BORR	Due Date 02/01/2009	TOTAL PAID  Add'l Principal  Add'l Escrow	3) 656-5363
Regular Paymen 1,257.57  PLEASE RETUR Remember to writ to insure proper or MAIL PAYMENT AXIOM FINANC PAYMENT PRO 9350 SOUTH 150 SANDY, UTAH  Regular Paymen 1,257.57  PLEASE RETUR	t Late Charge 4.000%  RN THIS COUPON WITH to your account number on you did not be seen to the coupon with the your account number on	Account No.  YOUR PAYMENT ur check or money ord  BORR  FOR A  Account No.	Due Date 02/01/2009  der  COWER  NY QUESTIONS AFTI  Due Date 01/01/2009	TOTAL PAID  Add'I Principal Add'I Escrow	8) 656-5363
Regular Paymen 1,257.57  PLEASE RETUR Remember to writ to insure proper or MAIL PAYMENT AXIOM FINANO PAYMENT PRO 9350 SOUTH 150 SANDY, UTAH  Regular Paymen 1,257.57  PLEASE RETUR Remember to write	t Late Charge 4.000%  RN THIS COUPON WITH 'e your account number on	Account No.  YOUR PAYMENT ur check or money ord  BORR  FOR A  Account No.  YOUR PAYMENT ur check or money ord	Due Date 02/01/2009 ler  COWER  Due Date 01/01/2009	TOTAL PAID  Add'l Principal Add'l Escrow  ER CLOSING CALL (88  TOTAL PAID  Add'l Principal	8) 656-5363
Regular Paymen 1,257.57  PLEASE RETUR Remember to writ to insure proper or MAIL PAYMENT AXIOM FINANC PAYMENT PRO 9350 SOUTH 150 SANDY, UTAH  Regular Paymen 1,257.57  PLEASE RETUR Remember to write to insure proper or	t Late Charge 4.000%  RN THIS COUPON WITH Ye your account number on you did not be seen to see the seen to see	Account No.  YOUR PAYMENT ur check or money ord  BORR  FOR A  Account No.  YOUR PAYMENT ur check or money ord	Due Date 02/01/2009  der  COWER  NY QUESTIONS AFTI  Due Date 01/01/2009	TOTAL PAID  Add'l Principal Add'l Escrow  ER CLOSING CALL (88  TOTAL PAID  Add'l Principal	8) 656-5363

## Payment

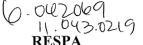
- Principal
- Interest
- Mortgage Insurance
- Taxes
- Hazard Insurance
- Flood Insurance

E 2844634 B 6188 P 189-203
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
1/22/2015 11:38:00 AM
FEE \$40.00 Pgs: 15
DEP eCASH REC'D FOR BACKMAN TITLE SER'

Prepared By:
NATALIE HERBERT
A C A D E M Y MORTGAGE
C ORPORATION
1220 EAST 7800 SOUTH
SANDY, UT 84094
(801) 233-3700

After Recording Return To:
a Cad EMY MORTGAGE
CORPORATION
1220 EAST 7800 SOUTH
SANDY, UT 84094
(801) 233-3700
ATTN: CLOSING DEPARTMENT

[Space Above This Line For Recording Data]



#### DEED OF TRUST

HODGSON Loan #: 2531604 MIN: 100060800025316041 MERS Phone: 1-888-679-6377 PIN: 11-043-0219

#### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated JANUARY 16, 2015, together with all Riders to this document.
- (B) "Borrower" is TUCKER M HODGSON AND MICHELLE HODGSON, HUSBAND AND WIFE AS JOINT TENANTS. Borrower is the trustor under this Security Instrument.
- (C) "Lender" is ACADEMY MORTGAGE CORPORATION. Lender is a UTAH CORPORATION organized and existing under the laws of UTAH. Lender's address is 1220 EAST 7800 SOUTH, SANDY, UT 84094.
- (D) "Trustee" is BACKMAN TITLE.
- (E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.
- (F) "Note" means the promissory note signed by Borrower and dated JANUARY 16, 2015. The Note states that Borrower owes Lender TWO HUNDRED FIFTY-SIX THOUSAND AND 00/100 Dollars (U.S. \$256,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to

UTAH- Single Family -Fannie Mae/Freddie Mac UNIFORM INSTRUMENT



2531604-9282-1-15

#### **Deed of Trust**

- Used to secure debt to property
- Document of 3 parties
  - 1. Trustor-(Borrower)
  - 2. Beneficiary-Note holder or lender
  - 3. Trustee-Third party with power to foreclose and reconvey
- Non-judicial foreclosure (Notice of Default and Trustee Sale)

under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to the Trustee, in trust, with power of sale, the following described property located in SALT LAKE County, Utah:

FOR THIS PURPOSE, THE BORROWER IRREVOCABLY GRANTS AND CONVEYS TO THE TRUSTEE, IN TRUST, THE POWER OF SALE, THE FOLLOWING PROPERTY:

SALT LAKE CITY

[City], Otan 84101 [Zip Code] ("Property Address");

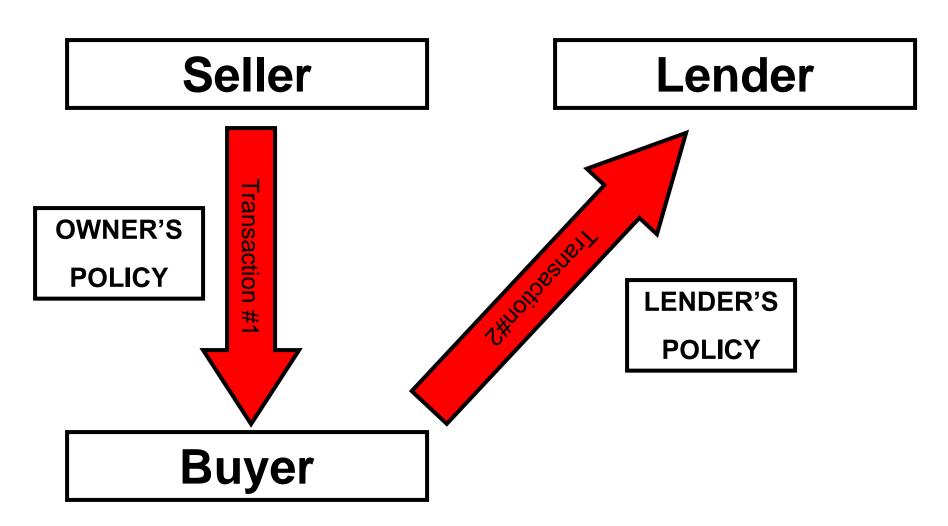
TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument; but, if necessary to comply with law or custom, MERS, (as nominee for Lender and Lender's successors and assigns), has the right: to exercise any or all of those interests, including, but not limited to, the right

BORROWER COVENANTS THAT
BORROWER IS LAWFULLY SIEZED OF
THE ESTATE HEREBY CONVEYED AND
HAS THE RIGHT TO GRANT AND
CONVEY THE PROPERTY AND THAT THE
PROPERTY IS UNENCUMBERED,
EXCEPT FOR ENCUMBRANCES OF
RECORD. BORROWER WARRANTS AND
WILL DEFEND GENERALLY THE TITLE
TO THE PROPERTY AGAINST ALL
CLAIMS AND DEMANDS, SUBJECT TO
ANY ENCUMBRANCES OF RECORD.

### Deed of Trust

- Borrower conveys to Trustee the Power to Sell the Property if the terms of note are not met
- Borrower also covenants to defend the title of encumbrances

## Split Closings





# What is a split closing?

A split closing occurs when the buyer and seller close at separate title companies

- For a title company offer closing services they must issue a policy.
  - Owner's Policy
    - Purchased by the seller for the buyer
  - Lender's Policy
    - Purchased by the buyer for the lender
- Cash Closings...

## Split Closing Instructions

- Split Closings work when:
- There is open communication and disclosure between all the parties
  - Realtors, Lenders, & Title Companies
- Funding is on time
  - If wires are sent/received before the cutoff time
- The documents are properly recorded.
  - Warranty Deed & Deed of Trust



April 2, 2007

Attn: TITLE COMPANY "B"

te: Buyer: FRED FLINTSTONE Seller: BARNEY RUBBLE

Property: 123 STONEY WAY, BEDROCK, UTAH 84001

Your File No.: 1234 B Our File No.: 6-000001

Dear: JOE CLOSER

Enclosed please find our original Warranty Deed, Settlement Statements and any other documents on the closing captioned above. You are hereby authorized to record the deed (and any other appropriate documents) when you are in a position to remit to the undersigned the following sums:

\$ \$ \$ \$

If you find any new recorded documents do not record and contact the undersigned immediately at (801) 774-8818 for further instructions.

Please forward a copy of the signed settlement statement along with recording information as soon as possible. Also, please remit the funds to this office with the enclosed wire instructions.

If you are unable to comply with these instructions within 48 hours, please contact the undersigned immediately for further instructions.

Sincerely, Backman Title Services Ltd

Encls.

1558 North Woodland Park Drive #410, Layton, UT 84041 Phone: (801) 774-8818 -- Fax: (801) 774-9090 www.backmantitle.com

## Good Funds

- 1- **Cash** may be disbursed on the same day the cash is deposited.
- 2- A wire transfer may be disbursed on the same day the wire transfer is deposited.
- 3- For amounts under \$10,000.00 The proceeds of a cashier's check, certified check, or official check that is drawn on an existing account at a federally insured financial institution may be disbursed on the same day the financial instruments are deposited if received from a single party to the real estate transaction or less than \$10,000 in aggregate from all the parties.

The following (4-6) **may** also be disbursed the same day they are deposited.

- 4- A personal check not to exceed \$500 per closing.
- 5- A check drawn on the escrow account of another title producer.
- 6- Checks drawn on the trust account of a principal broker, or associate broker.

## Wires

- Wire out cutoff time is 3:30 PM
  - —To other title companies
  - -To Lenders
  - Transaction Proceeds to borrowers and sellers
- Sometimes wires do not post until 4:30 PM or later
- County Recorder offices close at 5:00 PM

# Seller Proceed and Wire Transfer Instructions

#### INSTRUCTIONS FOR NET PROCEEDS

Date: August 23, 2017	Escrow No.: 6-074358				
TO: Backman Title Services Ltd.					
I/We hereby authorize and direct Backman Title Service the applicable section)	s Ltd. to disburse my/our net proceeds as follows: (Check				
1 Hold the proceeds check for pick up and c	tall when check is ready at the following number:				
I/we authorized the proceeds check to be particular.	picked up by:				
3 I/we instruct that the proceeds check be se	ent to our agent.				
I/we instruct Backman Title Services Ltd.     Wire Instructions.	I/we instruct Backman Title Services Ltd. to wire proceeds as detailed specifically in the attached Wire Instructions.				
5 Transfer the net proceeds to the following Company:	escrow:				
Address:					
Phone Number:					
Escrow Officer:					
Escrow Number:					
6 Split proceeds as follows: (Please indicate	e names, amounts or percentages)				
7 I/we instruct Backman Title Services Ltd.	to mail out proceeds to the following address:				
	Date				
	Date				



#### WIRE TRANSFER INSTRUCTIONS

Date: Order No.: Escrow Offic

The undersigned hereby authorizes and directs Backman Title Services, Ltd. to wire transfer funds, as indicated below, to the Receiving Bank and Account Identified below. The undersigned warrants that the information provided in this Authorization is complete and accurate.

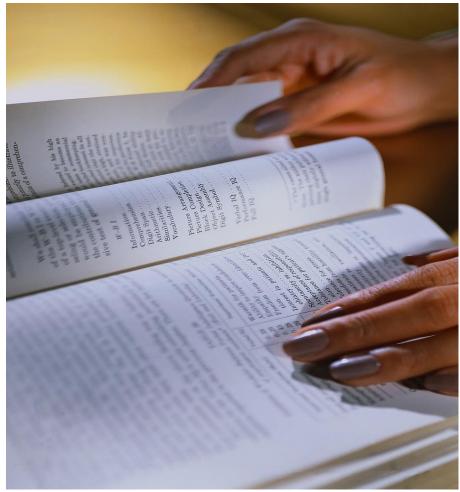
	Net Proceeds Due the Undersigned
	\$
	Other:
Receiving Bank:	
City/State:	
ABA No.:	
Account Name:	
Account No.:	
Notify:	
Phone:	
Memo:	
Other:	

Provided that all funds are wire transferred in accordance with these instructions, Backman Title Services, Ltd. shall not be liable for any act or omission of any financial institution or any other person, nor shall Backman Title Services, Ltd. have any liability for loss of funds or interest thereon. In no event will damages exceed interest at a rate equal to Federal Funds rate, adjusted daily, for the number of days that such funds are unavailable.

The undersigned shall indemnify and hold harmless Backman Title Services, Ltd., its successors and assigns, from any loss, liability and cost incurred as a result of any incorrect information supplied.

In no event shall Backman Title Services, Ltd. be liable for any special, consequential, indirect, or incidental damages, regardless of whether any claim is based on contract or tort whether the likelihood of such damage was known to Backman Title Services, Ltd.





Escrow Claims vs. Title Claims

## Title Insurance

Does not Cover Escrow Mistakes



## Title Insurance Claims

- 1. Mechanic Liens
- 2. Forgery/Fraud
- 3. Unrecorded Documents
- 4. Bad/Missing public records
- Missed Deed of Trust/Lien on Title
- 6. Missed Bankruptcy

#### **Lender's are issued Closing Protection Letters**

#### How is a CPL different than a Lenders Policy of Title Insurance?

A CPL gives the insured extra coverage for events that may happen before, during and after settlement. While protection for the lender's begins after the securing document is recorded, coverage from the CPL becomes effective upon the delivery of the title commitment.

A CPL is also different because the underwriter insures the lender against actions of their title agency. Lenders request CPL's because the actions of a title agency prior to the issuing of the policy can affect the ability to enforce a lien. It is also true that some agency actions can also put a lenders funds at risk.

When the CPL is issued the underwriter backs up actions made by an individual title agent. Among other things, and subject to certain exclusions, the underwriter guarantees their title agent will not:

- 1- Fail to comply with a lenders written closing instructions
- 2- Fail to properly record documents
- 3- Act in a negligent or fraudulent way
- 1- The entire \$25.00 fee is remitted directly to the underwriter
- 2- The new fee is only be charged if a transaction closes
- 3- The CPL fee appears in the 1100 section of the Settlement Statement (HUD-1) as a charge to the borrower

# ESCROW CLAIMS

- Escrow losses are not covered through title insurance
- 1. Escrow Claims can result from the mismanagement of funds
- Are usually the result of incomplete/incorrect information
- 3. Can also be caused by incompetence, laziness, or not knowing

- Escrow Claims
- 1. Payoffs
  - FHA Payoffs
  - Second Mortgage/HELOC Closeout
- 2. Mechanic Liens
- 3. Fraud
- 4. Bad Prorations
  - 1. HOA
  - 2. Taxes
  - 3. Water/Sewer
- 5. Notary Duties
  - 1. Fraud
  - 2. Probate
  - 3. Business/LLC Losses