



ESCROW INSTRUCTIONS

Buyer and Seller Instructions

Prepared by: Agent _____
Broker _____

Phone _____
Email _____

NOTE: This form is used by an agent or an escrow officer when preparing a purchase agreement (as an attachment) or preparing instructions to open a purchase escrow, to instruct escrow to prepare documents and gather instruments necessary for the buyer and seller to perform under their purchase agreement.

DATE: _____, 20____.

Items left blank or unchecked are not applicable.

Escrow number _____

Escrow/Brokerage company _____

Licensed by the Department of _____, State of California, license # _____

Escrow officer _____

Address _____

Phone number _____

Fax _____

Buyer _____

Seller _____

TERMS OF SALE: (for escrow use only)

- \$ _____ TOTAL Consideration Seller to receive from Buyer
- \$ _____ Assessment Bond paid with property taxes
- \$ _____ 1st Trust Deed of Record
- \$ _____ 2nd Trust Deed of Record
- \$ _____ Trust Deed to record
- \$ _____ Trust Deed to record
- \$ _____ Cash through Escrow
- \$ _____ Other Consideration _____

An escrow administrative fee will be charged each principal for postponement of closing by two months or more beyond the originally scheduled closing date in these instructions or on cancellation of these instructions, due to acts or omissions of either principal.

Postponement Fee....\$ _____
Cancellation Fee.....\$ _____

Buyer's	Initials	Seller's	Initials
_____	_____	_____	_____

1. You, the escrow officer, are authorized and instructed as follows:

- 1.1 Buyer deposits herewith the sum of \$ _____.
- 1.2 On or before _____, 20____, the date set for closing, Buyer will deposit with You on your request the additional sum of \$ _____, to make a total deposit of \$ _____.
- 1.3 Buyer will deliver to You prior to the date set for closing any additional funds and instruments required which You request.
- 1.4 You may thereafter use these funds and instruments until such time as You have received written instruction not to do so. Brokers are authorized to extend any performance date up to one month.
- 1.5 Close of escrow is the date instruments are recorded.

2. Upon the use of these funds and instruments, You are to obtain the following policy of title insurance, with the usual title company exceptions, in the following checked type and form:

Title to be vested in Buyer or Assignee free of encumbrances other than those set forth herein. Buyer's interest in title to be insured under a policy issued by _____

as a(n) Homeowner(s) policy (one-to-four units), Residential ALTA-R policy (vacant or improved residential parcel), Owner's policy (other than one-to-four units), Joint Protection policy (also naming the Carryback Seller or Purchase-assist Lender), or Binder (to insure resale or refinance within two years).

Endorsements _____

2.1 With title insurance in the amount of \$ _____ covering the following described real property, commonly known as _____ and legally described as _____

2.2 Showing title vested in _____

2.3 Subject to the following only:

- a. All General and Special taxes for the _____ fiscal year, including any special district taxes or personal property taxes collected with the ad valorem taxes.
- b. Assessments and Bonds with an unpaid balance of \$ _____.

- c. Any covenants, conditions, restrictions, reservations, rights, right of ways and easements of record, or in deed to record, and EXCEPTIONS of water, minerals, oil, gas, and kindred substances, on or under said real property, now of record, or in deed to record.
- d. First encumbrance now of record with an unpaid balance of \$_____, payable \$_____ monthly, including interest of _____% per annum. ARM
- e. Second encumbrance now of record with an unpaid balance of \$_____, payable \$_____ monthly, including interest of _____% per annum, all due and payable _____, 20_____.
- f. Deed of Trust to record in the amount of \$_____. Execution of loan documents under §2.3f or §2.3g will be Buyer's approval of their terms. If Seller carries back under §2.3h, You are to obtain Seller's written approval of the loan terms for any Deed of Trust to record.
- g. Deed of Trust to record in the amount of \$_____.
- h. Purchase money Deed of Trust with Assignment of Rents on standard form, executed by Buyer securing a note for \$_____ in favor of Seller as their interests appear on the preliminary title report, with interest at _____ % per annum from close of escrow, principal and interest payable in installments of \$_____, or more, each on the same day of every calendar month, beginning one month from close of escrow, or _____, 20_____, and continuing until _____.

You, as escrow holder, are instructed to prepare the note and Deed of Trust and insert the correct principal amount and correct first payment date, interest accrual date and due date as soon as they can be determined. The address for delivery of note payments is _____.

- 3. You are to obtain at Seller's expense beneficiary statements on the Deed(s) of Trust (or mortgage) now of record (§2.3d and §2.3e above). If the principal balances shown by the statements are more or less than the amount shown above, You are to make adjustments as checked below:
 - cash through escrow, total consideration, or purchase-money Deed of Trust.
 - 3.1 You are to deliver to Buyer for Buyer's approval prior to close of escrow a copy of the beneficiary statement for each Deed of Trust to remain of record on closing. [RPI Form 415]
 - 3.2 You are to deliver to Seller prior to close of escrow any payoff demand necessary to eliminate encumbrances so You can comply with conditions in §2.3 for title insurance.
- 4. You are to obtain at Seller's expense a UCC-3 clearance on the following described personal property

and cause title there to be vested in Buyer subject to the following UCC-1 financing statements:

- a. A UCC-1 obligation in the approximate amount of \$_____, payable \$_____ per month, including an annual percentage rate of _____ % all due and payable _____, 20_____.
- b. A UCC-1 form in favor of Seller at Buyer's expense as additional security for any note carried back under §2.3h above. [RPI Form 436-1]

- 5. Prior to close of escrow, Buyer is to hand You a sufficient hazard insurance policy. In the event Seller carries back under §2.3h above, then Seller is to be named as additional loss payee. The policy is to be in an amount sufficient to cover all lien balances or the coverage demanded by the new lender if greater in amount.
- 6. Prior to the close of escrow and at Seller's expense, Seller to hand You a structural pest control clearance on the subject property. [RPI Form 132]
- 7. Prior to close of escrow and at Seller's expense, You are to obtain a one-year policy of homeowner's warranty issued by _____, in favor of Buyer, covering _____.
- 8. Prior to the close of escrow and at Seller's expense, You are to obtain from the homeowners' association (HOA) of any common interest development (CID) which includes the described property the following checked item(s) for Buyer's approval:
 - 8.1 A statement of condition of assessments;
 - 8.2 Copies of the association's articles, bylaws, CC&Rs, collection and lien enforcement policies, operating budget, operating rules, CPA's financial review, insurance policy summary and any age restriction statement [RPI Form 135];
 - 8.3 Copies from the association of any notice to Seller of CC&R violations, any list of construction defects, and any assessment charges not yet payable.
- 9. You are authorized and instructed to prepare assignments for all existing lease/rental agreements.

- 10.** The following checked prorations and adjustments are to be computed by You on a monthly basis of 30 days as of close of escrow, or _____, 20_____, on which date Buyer is to be treated as the owner for the entire day:
- a. Taxes, based on latest tax statement available and Seller warrants that no reassessment or reassessment activity has since occurred.
 - b. Hazard (fire) insurance premium.
 - c. Interest on existing note(s) and Deed(s) of Trust.
 - d. Rents and deposits based on rental statement handed to You and approved by Buyer and Seller prior to close of escrow.
 - e. Impounds, under §2.3d or §2.3e above, together with an assignment of these impounds to Buyer through escrow.
 - f. Association assessments for any common interest development (CID) which includes the property.
 - g. _____
- 10.1 You are to account for the above prorations and adjustments into the item checked below:
 cash through escrow, total consideration, or purchase-money Deed of Trust.
- 11.** You are to promptly obtain and hand Buyer a preliminary title report on the property from title company for Buyer's approval or disapproval and cancellation of this transaction within _____ days of receipt by Buyer or Buyer's Broker of the report.
- 12.** The Grant Deed to state the tax statements are to be mailed to _____

 at _____.
- 13.** Escrow is herewith handed a purchase agreement dated _____, 20____ and (a) counteroffer dated _____, 20____, entered into by Buyer and Seller regarding the sale of the property which authorizes and instructs escrow to act on the provisions of the agreement as mutual escrow instructions to close this transaction.
- 13.1 Any inconsistencies between the provisions in the purchase agreement and provisions in the instructions prepared by escrow will be controlled by the instructions prepared by escrow.
- 14.** The close of escrow and disbursement of funds can be affected based on the form of the deposit with escrow. Funds deposited in cash or by electronic payment allow for closing and disbursement on or after the business day of deposit with the escrow's financial institution. Funds deposited by cashier's check allow for closing and disbursement on or after two business days after deposit with the escrow's financial institution. All other forms of deposit cannot be disbursed and thus, the closing cannot occur until the funds are made available to escrow by the escrow's financial institution.
- 15.** Buyer is required to withhold 10% of each Seller's share of the sales price for payment of Seller's federal income taxes on this transaction, unless Seller meets one of the following conditions:
- 15.1 Each Seller provides Buyer with their taxpayer identification number and declares under penalty of perjury to be a citizen of the United States or a resident alien [RPI Form 301];
 - 15.2 Buyer declares under penalty of perjury the property will be used as their residence and the sales price is \$300,000 or less [RPI Form 301]; or
 - 15.3 Seller requests and obtains a withholding certificate from the Internal Revenue Service (IRS) authorizing a reduced amount or no amount be withheld.
- 16.** Buyer is required to withhold 3 1/3% of each Seller's share of the sales price for payment of Seller's California income taxes on this transaction, unless one of the following exemptions exists:
- 16.1 Seller executes a real estate withholding certificate, FTB Form 593-C, declaring the sale is exempt due to:
 - a. The property sold is or was last used as Seller's principal residence;
 - b. The property sold was the decedent's principal residence;
 - c. The property was sold as part of an IRC §1031 exchange;
 - d. The property was taken by involuntary conversion and will be replaced under IRC §1033; or
 - e. The property was sold at a taxable loss.
 - 16.2 Buyer is also exempt from withholding 3 1/3% of Seller's share of the sales price if:
 - a. The property was sold for less than \$100,000;
 - b. Buyer is acquiring the property by a deed-in-lieu of foreclosure; or
 - c. Seller is a bank acting as a trustee under an agreement other than a Deed of Trust.
 - 16.3 On an installment sale, Buyer may agree to withhold on each payment on the carryback note and thus defer withholding.
- 17.** In the event You become involved in litigation between Buyer and Seller arising out of this transaction, Buyer and Seller will pay a reasonable fee for attorney services which You may be required to incur.
- 17.1 Before any party to this agreement files an action on a dispute arising out of this agreement which remains unresolved after 30 days of informal negotiations, the parties agree to enter into non-binding mediation administered by a neutral dispute resolution organization and undertake a good faith effort during mediation to settle the dispute.

18. You are authorized to use Seller's instruments when You hold and can deliver to Seller the money and instruments to be delivered to Seller under these instructions.

18.1 You are authorized to pay and charge Seller for the following checked item(s):

- a. Bonds, assessments, taxes and other liens of record to show title as called for.
- b. Documentary transfer taxes as required.
- c. Brokerage fees: \$ _____ to _____
\$ _____ to _____
\$ _____ to _____
- d. Transaction coordinator's fees:
\$ _____ to _____
\$ _____ to _____
- e. Title insurance premium on the policy to be issued to Buyer.
- f. Costs of recording Seller's Grant Deed.
- g. Escrow fees for your services and any charges incurred by escrow on Seller's behalf.
- h. Payables submitted to escrow for payment by Seller or Seller's Broker.
- i. Attorney fees: \$ _____ to _____
- j. _____

19. You are authorized to pay and charge Buyer for the following checked item(s):

- a. Escrow fees for your services and any charges incurred by escrow on Buyer's behalf.
- b. Costs of and lender's charges for recording or assuming any Deed of Trust, including a policy of title insurance for any new lender.
- c. Attorney fees: \$ _____ to _____
- d. Brokerage fees: \$ _____ to _____
- e. Title insurance premium on the policy to be issued to Buyer.
- f. _____

20. _____

I hereby agree to perform all acts called for above to be performed by Seller.

Date: _____, 20_____
Seller: _____

Signature: _____
Seller: _____

Signature: _____
Address: _____

Phone: _____
Cell: _____
Email: _____

I hereby agree to perform all acts called for above to be performed by Buyer.

Date: _____, 20_____
Buyer: _____

Signature: _____
Buyer: _____

Signature: _____
Address: _____

Phone: _____
Cell: _____
Email: _____