

# CHANGES TO THE RPA AND HOW THEY WILL AFFECT YOUR ESCROW

## Deposits

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The new Residential Purchase Agreement (RPA) contains some new provisions regarding deposits, increased deposits, and down payments that you need to be aware of:

- » Paragraph 3A regarding the buyer's earnest money deposit now defaults to "electronic funds transfer directly to escrow holder" as the method for the buyer's deposit. If the buyer will not be sending funds directly to escrow holder via electronic funds transfer, you will need to check the box for other types of deposits:
  - Paragraph 3A(1) Direct to escrow holder by cashier's check or personal check, or
  - Paragraph 3A(2) Deposit with Agent
- » It is important to remember that ***escrow companies cannot accept ACH transfers!*** So if the deposit is coming to us via "electronic funds transfer," it will need to be sent via a wire transfer.
- » Paragraph 20D requires the escrow holder to notify the seller and the seller's broker of buyer's deposit of the earnest money and increased deposit, if any, pursuant to the time frames specified in Paragraph 3.
- » Escrow holder is also required to notify the seller and the seller's broker if the earnest money deposit or down payment are not deposited within the time frames specified in Paragraph 3 of the RPA.
- » There are also specific additions to the new RPA in Paragraphs 3 and 20 that incorporate language with regard to possible Liquidated Damages provisions. We suggest you review these with your broker and/or legal counsel to determine the best course of action when completing the RPA.

**Your escrow team is your partner in communication. You can count on us to keep you fully informed of the status of any deposit of funds required in escrow.**



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