

CHANGES TO THE RPA AND HOW THEY WILL AFFECT YOUR ESCROW

Escrow Instructions, Escrow Documents and Title Insurance Requirements

The new Residential Purchase Agreement (RPA) contains new provisions regarding escrow instructions and escrow documents that you should be aware of:

- » **Paragraph 7C** requires that the parties return their signed escrow “general provisions” within a specified number of days after receipt. (*The default is 5 days*) Your Escrow Officer will notify the parties if the signed documents are not submitted timely, as this is now one of the terms of the contract that the parties must perform.
- » **Paragraph 8** deals with personal property and leased items or systems subject to a lien on the property. This Paragraph requires the seller to disclose any items of equipment, such as solar panels, that are leased or not owned by the seller, or specifically subject to a lien or other encumbrance on the property.
- » **Paragraph 13A** requires that the title company check the General Index for all sellers (*with the exception of institutional lenders, corporations and government entities*) prior to issuing the preliminary title report and it also requires that the seller give to Escrow Holder a Statement of Information (SI) within 7 days of acceptance.
 - In order to streamline the title company’s search of the General Index accurately, and to comply with the 7 day rule, we suggest you have the seller complete an SI when you take the listing. You can then submit it with the signed Purchase Agreement and check these requirements off your list. We can provide you with hard copy or writeable PDF form for the SI.
- » **Paragraph 13E** specifies that the buyer must receive a CLTA/ALTA Homeowner’s Policy (HOP). If that type of policy is not available for any reason, escrow is required to so notify the buyer, and the buyer is required to choose another policy, instruct Escrow Holder in writing, and pay any increase in cost.
- » **Paragraph 20** contains the Joint Escrow Instructions to the Escrow Holder. Specific provisions in this paragraph will be covered in flyers designed for those topics.
- » The **Escrow Holder Acknowledgement** is now on Page 10. It contains a box where we may check that we are in receipt of the Seller’s SI (*see above*). Please note that we must have all pages of the RPA and any required Addenda completely signed and initialed by both buyer and seller in order to sign the Escrow Holder Acknowledgement.



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