

ARIZONA ESCROW RATE
SCHEDULE AND GENERAL
RULES

ALL COUNTIES WITHIN THE STATE OF ARIZONA

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PREFACE

AN ESCROW FEE is the amount charged for the acceptance of an escrow transaction and performance of the escrow duties by an Escrow Agent. The fee for a particular escrow transaction is based on either the “**Fair Value**” of the property or is a set flat charge.

When the fee is based on the “**Fair Value**” of the property, the appropriate fee is calculated from schedules of charges where fee amounts are listed coinciding with the “**Fair Value**” amounts in increments of \$5,000.00.

There are various sub-categories of these fees based on the terms and conditions specific to each escrow transaction. The appropriate way to calculate a fee for each escrow transaction is the subject of this Schedule and General Rules relative thereto, and a thorough understanding of the escrow transaction, this Schedule and the General Rules herein is required in order to charge correctly.

SECTION I

GENERAL RULES

A. Definitions

“Escrow” means any transaction in which any escrow property is delivered with or without transfer of legal or equitable title, or both, and irrespective of whether a debtor-creditor relationship is created, to a person not otherwise having any right, title or interest therein in connection with the sale, transfer, encumbrance or lease of real or personal property, to be delivered or redelivered by that person upon the contingent happening or non-happening of a specified event or performance or non-performance of a prescribed act, when it is then to be delivered by such person to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor, or any designated agent or employee of any of them. Escrow includes subdivision trusts and account servicing. (A.R.S. 6-801, as amended.)

“Escrow Agent” means any person engaged in the business of accepting escrows. (A.R.S. 6-801, as amended.)

Unless otherwise specified herein, whenever there is a reference to “Escrow Agent”, Escrow Agent shall mean StarLineTitle Agency.

“Escrow Business” means a commercial activity characterized by the regular and continuous carrying on of escrow transactions. (A.R.S. 6-801, as amended.)

“Fair Value”

1. When a sale is involved, the “Fair Value” means the full amount of the consideration paid to the seller, including any encumbrances being assumed by the buyer, and the “Fair Value” shall be determined from all available information, e.g., amount of encumbrances, assessed value, comparable sale data, etc.
2. When a sale is not involved, the “Fair Value” shall be the principal amount of the loan secured by the property that is the subject of the Escrow.

B. Computation of the Basic Escrow Rate

1. The Basic Escrow Rate is based on the “Fair Value” of the property subject to the Escrow, as defined above and calculated in increments of \$5,000.00, including any fractional percentage thereof, or a set flat charge. The Basic Escrow Rate chart is attached hereto as Exhibit “A”.
2. Whenever a percentage or fractional percentage of the “Fair Value” is used, the fee arrived at from use of the percentage shall be rounded to the next highest fee increment. For example, if the “Fair Value” is \$55,010.00, the escrow fee will be based on \$60,000.00

C. Acquisitions of Undivided Interests

The Basic Escrow Rate for a single escrow transaction that involves the same purchaser purchasing undivided interest(s) in a specific or multiple properties shall be based on the amount of the interest conveyed, the consideration paid to the seller or the "Fair Value" thereof, whichever is greater.

D. Multiple Sales or Exchanges

The Basic Escrow Rate for a transaction involving sales or exchanges of multiple properties or involving multiple purchasers or sellers is calculated on the "Fair Value" of each property being conveyed, even though there may be common parties involved in these multiple or single Escrow transactions and/or concurrent recordings.

E. Minimum Fees, Charges, Cancellation Fees and Special Risks

The fees herein are minimum charges. Additional charges will be made when unusual conditions are encountered, when special risks are assumed or when special services are provided, as deemed necessary by reason of terms and conditions set forth in the escrow transaction.

F. Rates, fees and charges in effect prior to filing

All rates and fees contained herein become effective when approved by the Department of Financial Institutions, or by operation of law.

G. PAYMENT OF ESCROW CHARGES

Unless otherwise instructed in writing by the parties, the escrow charges and recording/filing fees shall be paid one-half by Buyer and one-half by Seller.

Unless otherwise instructed in writing by the parties, any charges incurred for miscellaneous or additional services provided or requested by the parties shall be charged to the person who requested such services(s) or who will benefit by such service(s).

H. FAIR VALUE - DEFINED

The fair value shall be construed as the full value of the property, including all encumbrances. When a sale is not involved, the fair value shall be determined from all available information, such as the amount of encumbrances, assessed value, etc. In no event shall the fair value be less than the sum of the unpaid principal balance of each mortgage and/or contract to which the property is subject. Additions to the loan balance incurred by Buyer, including but not limited to MIP premiums, will not be included in the unpaid principal balance for the purpose of determining fair value.

SECTION II

SCHEDULE OF ESCROW FEES AND CHARGES

A. Basic Escrow Rate (Sale)

The minimum charge of 100% of the Basic Escrow Rate shall be based upon the "Fair Value" of the property being conveyed in the Escrow. If additional charges are applicable, all such additional charges shall be identified and described separately on the final settlement statement.

B. Basic Escrow Rate (Loan) – No existing encumbrances

1. When there is no transfer of title and no existing liens or encumbrances on the property that is the subject of the Escrow, the charge shall be 100% of the Basic Escrow Rate, as determined by reference to the Fair Value of the loan secured by such property.
2. For construction loans on which the lender requests additional services (such as the Escrow Agent obtaining lien waivers, mechanic's lien releases, etc.), an additional work charge will be imposed. This fee shall be charged in addition to all other applicable fees. If, during the course of a construction loan, closing funds are held in escrow for future disbursements, an additional fee of one-half of one percent ($\frac{1}{2}$ of 1%) of the original amount held in escrow shall be charged per disbursement.

C. Basic Escrow Rate (Sale and Loan Fee)

When conducting a sale and loan Escrow simultaneously, covering identical property, the fee for the Escrow will be 100% of Basic Escrow Rate plus \$100.00. The Sub-escrow Fee will apply to any simultaneous loan Escrow over one.

Note: This fee will be charged to the party responsible for obtaining the loan, unless otherwise indicated in writing between the parties and acknowledged by their respective signatures.

D. Basic Escrow Rate (Leasehold)

1. The minimum charge on the sale of the Leasehold Interest (excepting therefrom Oil, Gas or Mineral Leases) shall be 200% of the Basic Escrow Rate computed upon the "Fair Value" of the property leased or the total amount of the lease payments, whichever is less.
2. The Basic Escrow Rate on an Escrow involving the sale of an Oil, Gas or Mineral Lease Estate, shall be negotiated, based on the services rendered.

SECTION III

SPECIAL RATES

A. Contractual Rate

Separate contracts may be entered into under specific conditions for which no compensatory escrow service charge has been provided for in this Rate Manual. In any such event, an escrow charge shall be made as “contractually” agreed upon between the Escrow Agent and the parties to the Escrow. Said negotiated rate must be by written contract, signed by the Escrow Agent and all parties to the Escrow and documented in the Escrow file. The **minimum** escrow charge under this section shall be \$400.00.

In some cases, due to unusual requirements regarding the financing or development of a major project, the Escrow Agent may find it necessary to enter into contracts or agreements for various services to be rendered and the charges to be made therefor. All such requests must be submitted to the Escrow Agent’s State Manager or other authorized Senior Management Officer in full detail for consideration. This will allow the Escrow Agent to maintain control while offering pricing which is consistent with established escrow rates on projects of a similar nature.

B. Governmental Rate

Separate contracts may be entered into with Federal, State, County, Tribal or Municipal governmental agencies for performing Escrow services for such charges as may be agreed upon by and between the Escrow Agent and the governmental agency. Such charge shall not be less than 60% or more than 200% of the applicable rate, with the final agreed amount being based upon all circumstances concerning such Escrows including, without limitation, the difficulty and volume of the Escrows, the existence of any unusual conditions regarding such Escrows, and the assumption of special risks or provision of special services in connection with such Escrows. If a bid is submitted for these types of contracts and services, a fixed fee may be applied.

C. Investor Rate

Any licensed real estate broker or sales agent, mortgage broker, or any other individuals or entities customarily involved in real estate investments shall be charged 70% of the Basic Escrow Rate on real estate investment transactions to which they are personally a party. This rate applies only to the portion of the escrow fee that the qualifying party would be obligated to pay in the transaction and is available only upon request by the investor.

D. Relocation Rate

If an individual is participating in a relocation program sponsored by the individual’s employer, the rate charged for escrow services performed in connection with the sale or purchase of the employee’s bona fide residence shall be 85% of the applicable Basic Escrow Rate. Such rate is authorized only in connection with those costs which the employee would be obligated to pay according to the terms of the real estate contract. This rate shall be charged through Escrow to the employee or to the employer or relocation company acting on behalf of the employee.

E. Refinance/Reconveyance Loan Rate

- 1. The Basic Escrow Rate for handling a loan Escrow involving residential_real property where no sale of real property is involved and the purpose of said loan is to pay off the existing encumbrance(s) and establish a new encumbrance(s) shall be as follows:

Volume Users, institutional lenders-1-4 family residences	\$450.00
Non-volume users-1-4 family residences	\$550.00

This fee shall be charged in addition to all other applicable fees.

- 2. The Basic Escrow Rate shall include the (1) courier/delivery fee, (2) wire fees, (3) email or e-doc fees, (4) in-house document preparation (5) mobile notary fee. A \$15.00 service fee shall be added for each additional item needed.
- 3. The Basic Escrow Rate for handling a loan Escrow involving commercial real property where the purpose of said loan is to pay off the existing encumbrance(s) and establish a new encumbrance(s) shall be 50% of the Basic Escrow Rate calculated by reference to the Fair Value of the property securing the loan and shall be in addition to all other applicable fees.

F. Mobile Homes

This charge is for real estate transactions that require either transfer of a mobile home title or surrender of title as part of an Affidavit of Affixture. The Escrow fee charged will be calculated based on the applicable Basic Escrow Rate (determined by reference to the Fair Value of the property subject to the Escrow), plus \$100.00 for extra work charge. Additional charges will include the following, as applicable:

- Motor Vehicle Processing Fee \$75.00
- Lien Search Processing Fee \$50.00
- Out of County Processing Fee \$55.00

- Fee for Duplicate Title (single) \$50.00
- Fee for Duplicate Title (double) \$75.00
- Fee for Duplicate Title (triple) \$100.00

G. Subdividers and Builders Rates relating to a Consumer Home Buyer or Lot Purchaser

These rates are available to a builder, contractor, developer or subdivider, and the purchasers therefrom, customarily engaged in such a business and shall apply only when the transaction involves the sale to a consumer home buyer or lot purchaser.

1. These rates are applicable only to the Basic Escrow Rate (Sale), (Loan), and (Sale and Loan Fee) set forth above.
2. The amount of the adjustment to the Basic Escrow Rate is dependent upon the number of units.
3. The number of units shall be determined by adding the number of units being developed in recorded subdivisions.
4. When conducting a sale and loan Escrow simultaneously, covering identical property, the fee for the Escrow will be based on the charges set forth in number 5 below plus an additional \$100.00 charged to the party responsible for obtaining the loan, unless otherwise indicated in writing by the parties and acknowledged by their respective signatures.
5. The rate charged is calculated as follows:

1-1500 units:	85% of Basic Escrow Rate
1501 – 2500 units:	80% of Basic Escrow Rate
2501 and above units:	75% of Basic Escrow Rate

I. REO Rate

1. **REO Sales (Individual Sales to Consumers/Investors).** This rate applies only to escrows on properties improved with a one to four family residential dwelling or residential condominium and in which the purchaser or seller of the property is the beneficiary of a deed of trust or its affiliate following foreclosure, trustee’s sale or deed in lieu of foreclosure. This rate shall be a flat fee of \$650.00 per side.
2. **REO Bulk Sales.** This charge will be used on transactions in which the seller is an institutional lender or asset manager who acquired properties through a foreclosure or deed in lieu of foreclosure and the buyer is buying multiple properties in one purchase. The fee charged will be based upon 80% of the Basic Escrow Rate. No other such discounts will be given in addition to this rate. This fee shall be charged in addition to all other applicable fees.

J. Escrow Only Rate

An Escrow specifying that no title policy is to be issued shall have a basic charge of 200% of the Basic Escrow Rate. There will be no Builder or Developer/Investor discounts in conjunction with Escrow Only transactions. These transactions must be approved by Escrow Agent's Management.

K. Second/Equity Loan Transaction Rate

This fee shall be \$150.00 and shall be applied to all second position equity loans in which the lender does not require title insurance and is requesting a limited title report for processing and closing an escrow transaction.

L. Negotiated Rate

Under certain circumstances, the company reserves the right to negotiate fees. Any such negotiated rate agreement must be approved in writing by the appropriate officer and signed by all parties involved for approval.

SECTION IV

MISCELLANEOUS FEES AND CHARGES

There are various services and/or products that may be necessary or required to service Escrows. The rates included in this section shall be charged if and as those services and/or products are provided. These rates shall be charged in addition to any other applicable rates as may be charged.

A. Recording Services Fee (Basic Escrow Refinance Rate Ancillary Fee)

This fee shall be \$16.00 and will be an additional charge to the basic escrow refinance rate listed on Section III (E) above.

B. Reconveyance Tracking Fee

The fee shall be \$85.00 per loan payoff. This fee shall be charged when handling the payoff of a loan for which the release is not furnished at close of Escrow. This charge covers the additional recordkeeping expense of monitoring the follow-through with the lender whose loan is being paid off and recordkeeping for a delayed reconveyance, as well as the charges that may be incurred by employing a third party vendor to provide this service for the Escrow Agent. The reconveyance tracking fee is non-refundable once the Escrow to which it relates is closed and documents are recorded. This fee is earned concurrently with issuing the payoff funds at closing.

C. Wire Transfer Fee

This fee shall be \$25.00 per **outgoing** wire. This fee shall be charged when wiring funds out of Escrow to or on behalf of a party to an Escrow transaction.

D. Interest Bearing Accounts

In connection with an Escrow, all funds in Escrow may be placed in an interest bearing account upon the written request of all parties to the Escrow. The funds will be placed in an account with the banking/savings institution chosen by the parties for a charge of \$75 per account. The charge is for opening, servicing and closing out the account

E. Overnight/Courier Delivery Fees

This fee shall be charged for each Express Mail, Overnight Mail, Federal Express, UPS or other expedited delivery service including, but not limited to, any "Special Messenger", and will be charged to the customer requesting or benefiting from the service, or as provided for in the Escrow instructions.

- Charge per Pick-up or Delivery \$25.00
- Additional charges may apply under unusual circumstances, such as international deliveries or same day/out-of-town deliveries. Charge will not exceed actual cost charged by outside vendor/contractor.

F. Email Documentation Fee

A fee of \$25.00 shall be charged for servicing and processing each loan package and/or other documents that are sent via email, facsimile transmission or any other form of electronic transmission.

G. Stop Payment Fee

This fee shall be \$25.00 per check. This fee shall be charged when a stop payment must be placed on a check written from an Escrow, except for stop payments placed on checks at the request of personnel of the Escrow Agent.

H. Hourly Work Fee

A fee of \$75.00 per hour, or fraction thereof, shall be charged when special services or additional work is requested and/or required. Signing final documents shall constitute approval of this fee for special services rendered. Any special services or additional work shall be documented in the escrow file.

I. Sub-Escrow Fee

If sub-escrow service is to be provided in support of a primary Escrow holder, the minimum charge will be \$125.00 per Escrow. Services available under this section are restricted to:

- a. The receipt of funds and written instructions from the Escrow holder and from a lender whose loan will be insured.
- b. The disbursement of such funds for the elimination of matters affecting title, but only to the extent authorized under such instructions.

This rate, if applicable, will apply to an institutional lender utilizing more than 200 sub-escrows a year. The charge for such shall be \$125.00 per Escrow.

Note 1: The sub-escrow service does not include procuring demands or payoffs, or disbursements of funds to persons other than the Escrow holder except for purposes of elimination of matters affecting title to the land to be insured.

Note 2: If a lender's instructions authorized disbursements to persons other than the Escrow holder, the Escrow holder must approve the lender's instructions in writing and supplement them with its own written instructions for disbursement of any loan funds which remain for disposition by the Escrow holder or any party to the Escrow.

J. File Maintenance Fee

This fee shall be charged when funds that are retained or remaining in Escrow after closing require Escrow Agent's personnel to review the Escrow file to determine whom to contact and to whom remaining funds should be disbursed. This fee shall be charged at a rate of \$10.00 per month or any portion thereof, and the charge will become applicable beginning on the first day of the first full month after Escrow has closed.

K. Document Preparation Fee

A fee of \$125.00 shall be charged for preparation of documents, other than a Warranty Deed and Affidavit of Property Value, in connection with a sale transaction involving REO and Default transactions only. This fee shall be charged for the preparation of documents in conjunction with an Escrow in which the Escrow Agent is asked to prepare a Promissory Note, a Deed of Trust or other such documents outside of the usual and customary documents prepared in the course of an Escrow closing. If these documents are prepared by a third-party vendor, then the fee to be charged shall be the cost charted by the third-party vendor.

BASIC ESCROW RATE

<u>Purchase Price</u>	<u>Escrow Fee¹</u>
\$0.01 - \$250,000.00	\$600.00
\$250,000.01 - \$500,000.00	\$650.00
\$500,000.01 - \$750,000.00	\$850.00
\$750,000.01 - \$999,999.99	\$1200.00
\$1,000,000.00 and up	Quote only

¹ Escrow fee is a flat fee which is based on purchase price as set forth in purchase and sale agreement. Further, allocation of the escrow fee between buyer and seller shall be determined by said parties to the transaction pursuant to the purchase and sale agreement.