



## ESCROW FUNDING SERVICE AGREEMENT

Escrow Funding, Inc. will serve as a neutral escrow agent to the Seller and Purchaser named in the corresponding contract, according to the following terms:

1. For the monthly service charge, ESCROW FUNDING, INC. (*hereinafter referred to as "EFI"*) will collect and disburse payments as directed in the contract, and according to the below terms.
2. Payments are to be payable to **"ESCROW FUNDING"** and sent to **3445 N. CAUSEWAY BLVD, SUITE 707, METAIRIE, LA 70002**. ACH Draft/Direct-deposit may be set-up. Cash and Third-party checks are not accepted.
3. Payments are due as specified in the contract. The grace period expires at the close of business on the final day of the grace period (*5 days if not indicated in contract*).
4. EFI will notify the parties if payments are not received within the grace period. Late payments require a late fee of 10%\* of the total amount due [**5% to EFI, required; 5% to Seller, or as per contract**]. EFI fees are not deferred. If not included, short payments to the mortgagees or reserves may result.
5. Non-certified checks will be issued against 4-5 business days after receipt and deposit. PURCHASER is responsible for any late fees assessed by mortgagees regardless of the contract grace period.
6. **The monthly due date must be 10 days prior to the due date of any underlying mortgage. Upon execution of the contract, any underlying mortgage must be current with no outstanding fees. Any outstanding amounts must be satisfied immediately by the Seller or may be deducted from the Seller's funds.**
7. Payments are applied in the following order: (1) EFI Fees, (2) Mortgage company principal, interest & escrows, (3) Seller principal & interest\*, (4) Other charges. *\*outstanding balances under wrap-around or owner-financed mortgages are added to the loan balance*
8. Partial payments may be refused. If accepted, the funds will be held in suspense until the balance is received. Partial payments will not reduce the late fee assessment.
9. NSF or RETURNED ITEMS ARE NOT BE RE-DEPOSITED or RE-DRAFTED and must be replaced with certified funds plus applicable return fees.
10. EFI is not responsible for disbursements in excess of the amounts collected from the parties.
11. EFI will not adjust payments monthly for variable underlying mortgage payments. For accounts of this type, we recommend remitting additional funds to cover the fluctuations.
12. If the required monthly payment increases due to an escrow adjustment, PURCHASER is responsible for the new amount. Partial payments are not accepted.
13. **SELLER IS RESPONSIBLE FOR ENSURING THAT ALL MORTGAGE COMPANY INFORMATION IS PROMPTLY PROVIDED TO EFI. THE MAILING ADDRESS WITH THE MORTGAGE COMPANY MUST BE CHANGED TO THE EFI ADDRESS UPON EXECUTION OF THE CONTRACT. ONLINE ACCOUNT ACCESS IS HIGHLY PREFERRED.**
14. If SELLER fails to provide mortgage account information to EFI, we will not be responsible for account delinquencies, shortages, late fees, insurance issues, etc. SELLER will be responsible for remedying any issues, including, but not limited to late fees.

15. If the PURCHASER becomes 60 days past-due, or if the account is closed before being paid-in-full, the SELLER will be responsible for payment of outstanding EFI service charges, fees, and any amounts disbursed or advanced by EFI for taxes, insurances, or against returned items.
16. Bond for Deed accounts may be placed in DEFAULT after 10 days for failure to remit timely payments for the mortgage, property taxes, insurance, other assessments; or for failure to maintain the property. Default Notices are issued via Federal Express or USPS Certified Mail. Applicable fees will be incurred. **SELLER MAY REQUEST A NOTICE OF DEFAULT TO INITIATE THE 45-DAY DEFAULT PERIOD.**
17. The required monthly escrow amount is subject to change. If escrowed by EFI, the account will be analyzed annually, or as needed.
18. If the parties negotiate a change in terms, EFI will prepare an amendment to be executed by both parties. The amendment fee starts at \$250.00 for current contracts and \$275.00 for expired contract. Costs to be determined by details and time involved.
19. EFI is not a collection agency or property manager. The service charge covers processing of monthly payments, notification of late payments & payment changes, annual interest reporting, and maintenance of any EFI escrow account. **Additional charges will be assessed for extended communications with the parties, mortgage companies, insurance agents, real estate agents, banks, lenders, attorneys, etc., or for any insurance claim assistance or disbursements.**
20. Mortgage interest earned/paid will be reported to the IRS under one primary SSN/TIN, provided a completed Form W9 is returned to our office. If a Seller refuses to provide the SSN/TIN, back-up withholding will be implemented, per IRS requirements. Applicable fees will be incurred.
21. EFI reserves the right to resign as escrow agent with thirty (30) days written notice to Seller and Purchaser if (a) Outstanding fees/costs remain unpaid for a period of ninety (90) days, or (b) EFI determines that we are unable to discharge the duties accepted herein due to lack of cooperation of the Seller and/or Purchaser.

## **INSURANCE PREMIUMS MUST BE PAID IN FULL FOR THE FIRST YEAR TO AVOID AN ESCROW SHORTAGE**

INSURANCE POLICIES SHOULD INCLUDE THE INTERESTS OF MORTGAGEES, SELLER & PURCHASER

**FOR ACCOUNTS ESCROWED BY EFI (NOT MORTGAGE COMPANY ESCROW ACCOUNTS): ESCROW FUNDING must be indicated on the policy as payor.**

Renewal invoices should be provided to our office in a timely manner for payment from the escrow account. EFI IS NOT RESPONSIBLE FOR OBTAINING INSURANCE INVOICES IF WE ARE NOT LISTED AS PAYOR. THE PARTIES AGREE TO REIMBURSE EFI FOR ANY TAX & INSURANCE DISBURSEMENTS THAT EXCEED THE BALANCE IN THE ESCROW ACCOUNT. **EFI WILL DISBURSE ANNUAL PREMIUM PAYMENTS ONLY.** ADDITIONAL FEES WILL BE ASSESSED IF MONTHLY OR QUARTERLY INSTALLMENTS ARE NEEDED.

**ESCROW FUNDING DOES NOT AMEND COVERAGE OR CANCEL INSURANCE POLICIES; REQUEST MORTGAGE COMPANIES TO REANALYZE ESCROW ACCOUNTS DUE TO INSURANCE CHANGES; OR HANDLE ANY INSURANCE MATTERS OTHER THAN PAYMENT DISBURSEMENT. ANY INSURANCE ISSUES MUST BE ADDRESSED BY SELLER, PURCHASER, AND INSURANCE AGENTS.**

IF INSURANCE IS NOT ESCROWED BY EFI, OUR SOLE RESPONSIBILITY IS TO FORWARD CORRESPONDENCE TO THE PARTIES. If the loan is transferred to a new lender, the Insured is responsible for notifying the insurance agent of the change.



**FOR NON-ESCROWED ACCOUNTS:** Purchaser is responsible for obtaining and paying all bills including taxes, insurance, homeowners/condominium association, termite renewal, etc. Payments must be remitted directly to the billing agency in a timely manner. Evidence of such payments will be requested only at Seller’s request.

**ESCROW FUNDING FEES**

*subject to change*

New Contract	\$450.00	Assignment	\$400.00
Monthly Service Fee	\$45.00 +	Amendment	\$50.00 +
Late Fee	5% of total payment	Document Preparation	\$200.00 +
Notice of Default	\$60.00	Reinstatement Fee	\$100.00 +
NSF/Returned Item	\$60.00	IRS Corrections	\$25.00 each
Payoff Preparation	\$50.00 +	IRS Backup Withholding	\$50.00/month

*The parties agree to submit all disputes arising out of the contract serviced by Escrow Funding to binding arbitration. The arbitration shall be administered by Mediation Arbitration Professional Systems, Inc. (MAPS) in accordance with MAPS Rules of Arbitration by a Single Arbitrator. Unless otherwise indicated the Federal Arbitration Act Arbitration shall apply (9 U.S.C. 1-16). The arbitrator’s decision shall be final and binding and judgment may be entered thereon. The arbitration shall be conducted by a MAPS panel arbitrator chosen by the parties or in accordance with MAPS rules and held in Orleans or Jefferson Parish. In the event a party fails to proceed with arbitration or fails to pay the fees timely that party may be defaulted by the other party with the agreement of the arbitrator. If a default award is entered the party against whom the default award is entered, or if a party unsuccessfully challenges the arbitrator’s award, or fails to comply with the arbitrator’s award, the other party is entitled to costs of suit including a reasonable attorney’s fee for having to compel arbitration or defend or enforce the award.*

THE UNDERSIGNED PARTIES UNDERSTAND AND AGREE TO THE ABOVE TERMS.

Seller:

Purchaser:

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