

**DHI TITLE AGENCY OF ARIZONA, INC.**

**ESCROW RATE MANUAL**

**EFFECTIVE AUGUST 1, 2010**

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# **DHI TITLE AGENCY OF ARIZONA, INC.**

## **General Rules – Effective August 1, 2010**

### **A. DEFINITION OF ESCROW**

Escrow means any transaction wherein any property, money, written instrument or evidence of title or possession to real or personal property or other thing of value 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 rights, 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 a person to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor, or a designated agent of employee or any of them. Escrow includes subdivision trust (A.R.S. 6-801, as amended).

### **B. COMPUTATION FROM BASIC RATE**

1. There shall be a basic escrow rate charged for all residential property escrow transactions, which rate shall vary with the “fair value” of the real property involved in the transaction. Basic Escrow Rates are set forth in the Rate Schedule attached.
2. The Escrow rate in commercial and industrial real property transactions shall also be computed from the basic escrow rate as described in the Summary Account and Rate Schedule sections of this Escrow Rate Filing.
3. Special escrow rates are made applicable to escrow transactions which involve subdividers, builders and developers of residential real properties. Rates applicable to these category escrow transactions are based on “fair value” as defined herein and as more fully described in the pertinent Summary Account Section.
4. Commercial and industrial subdividers, builders and developers shall be charged an escrow rate based on the basic escrow rate and expressed as a percentage thereof.
5. The rates applicable to other categories of escrow transactions, including those where special rates are applicable, are similarly described in the Summary Account Section and attached rate schedule.
6. Whenever percentages are used to arrive at a particular escrow rate, the final rate shall be rounded to the next highest dollar.

**C. FAIR VALUE**

The fair value shall be construed as the full value of the property, or the sale price, including the encumbrances, whichever is higher. When a sale is not involved, the fair value shall be determined from all available information, i.e. amount of funds escrowed, amount of encumbrances, assessed value, etc. It shall not be less than the sum of the unpaid principal balances of the mortgages and/or contracts to which the property is subject.

**D. MINIMUM CHARGES AND SPECIAL RISKS**

The basic charges set forth herein are minimum charges. Additional work charges will be made when special risks are assumed or when special services are provided. The charge will be \$100.00 per hour minimum.

**E. EMPLOYEE RATES**

No charge shall be made to an employee of DHI Title (including employees on approved retirement) for escrow services performed in connection with the financing, re-financing, sale, or purchase of the employee's bona fide home property. Waiver of said charge is authorized only in connection with those costs which the employee would be obligated to pay by established custom, as a party to the transaction. (Note: The term employee also applies to an individual employed by the parent and/or subsidiary of the title insurance company or title insurance agent.)

**F. RATES AND CHARGES IN EFFECT PRIOR TO FILING**

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

**G. SEPARATE SALES OR EXCHANGES (DIFFERENT OWNERS)**

Basic Charge applicable (Section E101) on each separate sale, seller or exchanger involved.

The applicable charge applies on the amount of each individual sale or exchange even though there may be one (1) common purchaser and the sales or exchanges are handled concurrently, and one (1) or more separate escrows are involved.

**H. UNDIVIDED INTEREST, Transfer of (when sold separately from remaining interest)**

Basic Charge applicable (Section E101) based upon the interest covered, the purchase price or the fair value thereof, whichever is the higher.

**I. CONTRACTED ESCROW TRANSACTIONS**

In certain cases, due to unique requirements regarding the financing or development of a major project, the Company may find it necessary to enter into contracts or agreements for various services to be rendered and the charge be made thereon. All such requests must be submitted in full detail for consideration by the Chief Executive Officer, President or Escrow Operations Manager so authorized by the Company (authorized officer). This will allow the Company to maintain uniformity on projects of a similar nature and to offer prices which are consistent with established escrow rates.

## **ESCROW**

### **E101 BASIC CHARGE (SALE)**

The minimum charge of 100% of the Basic Escrow Rate shall be based upon the fair value of the property in the escrow. If additional charges are applicable, all such additional charges shall be added to the Basic Escrow Rate applicable.

### **E102 BASIC CHARGE (LOAN)**

- A.** If no transfer of title is involved and the purpose of the transaction is to secure a lien to a property which has been previously unencumbered or the replacement of an existing first lien securing a single family residence of one to four units or a residential condominium with a new loan (hereinafter “Refinance”) in an amount not to exceed \$1,000,000.00. Included in this charge shall be miscellaneous service charges of: (1) electronic fund transfers; (2) electronic transmission of loan documents; and (3) payment of three unsecured obligations. Additional miscellaneous services may be provided pursuant to charges contained herein. The Escrow Fee is \$250.00.
- B.** If concurrent with a sale escrow for the full value of the land improvements there shall be an Escrow Fee of \$100.00 per loan, in addition to the applicable Basic Charge incurred based on the full value of the property as described in Section E101.
- C.** If the loan being secured on the real property is a Construction Loan, the escrow charge will be 100% of the Basic Rate based on the dollar value of the fully disbursed Construction Loan. This Escrow Fee includes lender requests for additional services such as obtaining lien waivers and architectural approval.
- D.** In the event of a VA refinance transaction wherein the lender is required to pay the escrow fee, the escrow fee to be charged will be \$100.00.
- E.** When handling a Commercial Loan Escrow, where no sale of the real property is involved, and the purpose of said loan is for the refinance of the existing encumbrances on subject property, the Escrow Fee charged shall be a minimum of \$500.00 up to \$800,000.00; \$600.00 for amount of \$800,001.00 to \$1,000,000.00; and \$700.00 for amount over and above \$1,000,001.00. In all other instances and circumstances, the Escrow Fee will be the fee contained in Section E102.

**E103 SUB-ESCROW SERVICE (to be used to administer separate escrow service contracts)**

Sub-escrow service may be provided in support of primary escrow holder or institutional lender, etc., at a fixed price agreed upon by and between the Company and said primary escrow holder or lender. The rate shall be negotiated on a case-by-case basis dependent upon the difficulty of the escrow(s) and agreed to by the Company and the escrow holder. The minimum shall not be less than \$100.00 and the maximum not to exceed 50% of the applicable rate.

Services available under this section are restricted to:

1. The receipt of funds and written instructions from the escrow holder and from a lender whose loan will be insured.
2. Recordation of applicable documents per written instructions from the escrow holder and lender.
3. The disbursement of such funds for the elimination of matters affecting title and for those items requested by the lender, but only to the extent authorized.

NOTE 1:

If a lender's instruction authorized disbursement to persons other than escrow holder, the escrow holder must approve the lenders 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 part to the escrow.

NOTE 2:

This rate may be charged on transactions involving high volume licensed mortgage companies. A high volume licensed mortgage company shall be defined as a licensed mortgage company which will record 200 Deeds of Trust or other security instruments within one calendar year.

**E104 BASIC CHARGE (SUBDIVISION)**

1. Builder/Developer (Sales)

The rate is available to a builder, contractor, developer, or subdivider customarily engaged in such business for the units being developed in a common promotional plan and shall apply only when the transaction involved the sale to a consumer home buyer, lot purchaser, or a transfer to a homeowners association. (This rate is applicable only to those rates available under Sections E101 and E102).

- 1-30 units – 70% of Basic Escrow Rate (Sale) and 70% of Basic Escrow Rate (Loan)
- 31-1199 units – 50% of Basic Escrow Rate (Sale) and 70% of Basic Escrow Rate (Loan)\*
- 1200 or more units – 40% of Basic Escrow Rate (Sale) and 70% of Basic Escrow Rate (Loan)

\*Said rate not to be less than \$150.00

2. Builder/Developer (Purchase)

The rate is available to a builder, contractor, developer, or sub-divider customarily engaged in such business when the transaction is other than a sale to a customer home buyer, lot purchaser, or a transfer to a homeowners association. (This rate is applicable only to those rates available under Sections E101 and E102).

- \$0.00 to \$3,000,000.00 transaction - 70% of Basic Escrow Rate
- \$3,000,001.00 to \$10,000,000.00 transaction - 65% of Basic Escrow Rate
- \$10,000,001.00 to \$15,000,000.00 transaction - 60% of Basic Escrow Rate
- Over \$15,000,001.00 transaction - 55% of Basic Escrow Rate

**E105 BASIC CHARGE (LEASEHOLD)**

The Leasehold Escrow Rate (other than Oil, Gas or Mineral Leases) shall be 100% of the Basic Escrow Rate based upon the fair value of the property leased or the total amount of the lease payments, whichever is less.

**E106 BASIC CHARGE (RELOCATION)**

If a seller is participating in a company sponsored relocation plan, seventy percent (70%) of the applicable basic escrow rate shall be charged for escrow services performed in connection with the sale or purchase of the seller's home property. Such rates are authorized only in connection with those costs which the seller would be obligated to pay by established custom as a party to the transaction, and may be charged through escrow to employee, employer or relocation company acting on the behalf of the parties.

**E107 REO (REAL ESTATE OWNED) SALE ESCROW RATE – 1-4 SFR PROPERTY**

This rate shall be applied to an escrow transaction involving an REO resale, and if title insurance is not being provided by the Escrow Agent, there shall be a flat escrow fee of \$1,200.00. This fee is inclusive of wire fees, courier fees, electronic documents, express mail fees, and reconveyance tracking fees.

This rate shall be the sale escrow rate applicable to this type of transaction, and unless otherwise instructed in writing by the parties, shall be paid one-half by buyer and one-half by seller.

**Loan Tie-In Fee:** In transactions where one or more new loans are involved, then there shall be a Loan Tie-In Fee of \$100.00 per loan added to this rate.

**Miscellaneous Services:** Fees for services set forth in this Manual which are not listed as being included in this rate, shall be charged to the party who has requested such service or who will benefit by such service and shall be in addition to this rate.

**E108 AUCTION RATE**

This rate applies to multiple properties packaged for sale at an auction by one or more lenders, brokers or owners. Rate includes normal escrow services, document recording fees and standard messenger fees. The fee may be split between the parties as directed by the Purchase Agreement. Additional fees may be charged consistent with the Company's rate filed for additional services. The Auction Escrow Fee shall be \$900.00 per property/escrow.

**E109 TIME SHARE**

Rates under this section shall apply to transactions involving the purchase or resale of any time share. The Escrow Fee shall be \$245.00.

**E110 SHORT SALE ESCROW FEE**

In the event the transaction includes the sale of real property, which is the subject of a short sale transaction (identified by the fact that the Seller's lender must approve the purchase terms of the transaction, as they are accepting less than the full payment for the balance due), there will be an additional escrow fee of \$250.00 in addition to the basic escrow rate.

This Short Sale Rate includes miscellaneous service charges of: (1) reconveyance fee; (2) two electronic fund transfers; (3) one electronic transmission of loan documents; and (4) payment of three unsecured obligations.

**MISCELLANEOUS SERVICE CHARGES**

The following charges are applicable for miscellaneous services rendered in connection with regular services provided by the Company and will be disclosed prior to the close of any escrow transaction.

**E201 DIRECT TRANSACTION FEES (RESIDENTIAL SALE)**

The charge for the preparation of escrow instructions in the absence of a written Residential Purchase Contract will be the Basic Escrow Rate plus \$100.00 extra work charge.

**E202 ESCROW ONLY**

An escrow specifying no title policy to be issued shall have a basic charge of 200% of the Basic Cash Escrow Rate. There will be no Builder or Developer/Investor discounts in conjunction with Escrow Only transactions.

**E203 1099 FILING AND/OR FIRPTA FILING SERVICES**

Charge for 1099 Filing is included in the escrow fee. A charge of \$125.00 to the seller of real property shall be made to prepare a FIRPTA Report.

**E204 WIRE TRANSFER FEE**

Any charges for incoming or outgoing wires are included in our basic escrow fee.

**E205 PROCESSING NSF CHECKS**

There will be a charge for processing Insufficient Funds Checks, as follows:

Returned Item (each occurrence)	\$25.00, plus actual bank charges
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**E206 CHECK REPLACEMENT**

The charges with regard to check replacement in each of the following instances will be:

1. Stop payments	\$25.00
2. Each reissued check	\$15.00

Charges may be deducted from reissued checks. No charge will be assessed if reissue is due to escrow error.

**E207 DEPOSIT OF ESCROW FUNDS TO INTEREST BEARING ACCOUNT**

A customer may request, in writing, that the Company deposit escrow funds into an interest bearing account. Such request will be evaluated based on Company procedures and the provisions of Arizona Revised Statutes. Fee is \$35.00. This charge is for opening, servicing and closing out the account.

**E208 RECORDING FEE CHARGE - STATE OF ARIZONA - ALL COUNTIES**

**Summary Account:**

Residential Recording Fees are charged by the County Recorder for each County in Arizona. Due to the consistency of charges through transactions and the required work to prepare documents for recording, a Flat Recording Fee in the amount of \$65.00 will be charged on each escrow transaction handled by DHI Title. This fee is intended to incorporate all Recording Fees charged by the County Recorder's Office, as well as the preparation of the recording package.

NOTE: This also includes the cost for filing and preparing the Affidavit of Property Value.

NOTE: Commercial transactions are excluded and fees will be calculated on actual costs.

**E209 COURIER FEE AND EXPRESS MAIL FEE**

Charges for courier fees and express mail fees are included in our basic escrow rates.

**E210 POST ESCROW HOLDING FEE**

The following charges will be made when escrow agent is employed by separate escrow instructions to hold funds after an escrow transaction has closed.

**Set-up Fee:**

Under \$10,000.00	\$25.00
Over \$10,000.00	\$50.00

**E211 FUNDS MAINTENANCE / ABANDONED PROPERTY**

When funds remain in an escrow subsequent to the closing thereof and said funds are unclaimed or un-disbursed for a period of six months or more, there shall be a charge of \$25.00 per month for maintenance of said funds beginning 30 days from the close of escrow date. Maintenance service will include one or any combination of the following: attempted written notification via US Mail, three (3) telephone calls (local or long distance), and/or a name search. Any additional services shall be charged at the rate of \$50.00 per hour or fraction thereof, plus pass through charges (i.e. research, skip/trace, and private investigators) up to such time as any remaining funds properly escheat, by law, to the State of Arizona. Upon final disbursement of said funds, the \$25.00 charge per month (and additional service charges if applicable) shall be deducted from the amount of funds initially held prior to the disbursement to the appropriate party(ies) and/or escheatment to the State of Arizona, up to the full amount of funds available.

**E212 MOBILE HOMES**

There will be a \$200.00 fee for transactions which require either transfer of a mobile home title or surrender as part of an Affidavit of Affixture.

**E213 REPRODUCTION/STORAGE ELECTRONIC ACCESS TO DOCUMENTS**

1. **Pending Litigation**

Standard reproduction of documents will be charged at the rate of thirty dollars (\$30.00) per employee hour (one hour minimum; one-half hour thereafter) for reasonable clerical costs incurred in locating and making the documents available plus twenty-five cents (\$.25) for each page produced.

2. **Electronic Document Storage/Access**

The Company electronically stores all documents post closing and fees for this service are included in our regular escrow charges.

**E214 RECONVEYANCE TRACKING FEES**

**Summary Account:**

In lieu of a reconveyance fee, an \$85.00 charge shall be assessed to the seller (or borrower in the event of a refinance) for a reconveyance tracking fee to keep in compliance with A.R.S. 33-707L. This fee is necessary to effectively obtain a release of a Mortgage or Deed of Trust which is paid in full on a timely basis, either pursuant to A.R.S. 33-707 or from the lender directly and is nonrefundable. This fee includes the recording of a reconveyance should the Company be required to record same.

**E215 INSPECTION FEES**

There shall be an inspection fee in the amount of \$75.00 charged for physical property inspection in connection with a Residential Escrow or on any metes and bounds property. Rush Service shall be made available by request in writing or orally and will contain a one-time additional fee of \$25.00. A request made for an inspection within 48 hours is a rush and will be charged at the above rate. Said fee shall be assessed to the property owner.

**E216 CONSUMER PAYOFF SERVICES**

As a basic refinance service to our clients, escrow will provide consumer payoff services for items such as credit cards or car loans, etc. up to three (3) checks. If more than three (3) checks are requested, a \$10.00 charge per check may be assessed thereafter.

**E217 FIRST RESPONDER/MILITARY RATE**

A rate equal to 80% of the basic escrow rate is available to any bonafied first responder personnel, including but not limited to, active members of any police, fire, EMT, military, or civil defense organization wherever situated. Proof of said affiliation must be provided to escrow agent prior to escrow closing.

**E218 NON-PROFIT MULTI HOUSING ORGANIZATIONS**

The escrow fee for non-profit housing organizations such as Habitat for Humanity will be a flat fee of \$300.00 per transaction.

**E219 REAL ESTATE BROKER/INVESTOR RATES**

A basic charge of 70% of the applicable rate is available to any licensed Real Estate Broker, salesperson, mortgage broker, governmental agency or any other group of individuals or entities customarily involved in real estate investments, on investment commercial property, or personal residences.

**E220 ALL-INCLUSIVE BULK LENDER REFINANCE RATE**

This rate shall be available to any lender, Mortgage Broker, Credit Union or other lending entity that processes 15 or more refinance transactions through the Company on a monthly basis. This fee shall include all escrow service/courier delivery fees, customary signing services, reconveyance tracking and any other fees, except recording fees. The fee for those escrow services shall be a bundled price of \$300.00 and are available as outlined above.

**E221 CHURCH AND NOT-FOR-PROFIT CHARITABLE ORGANIZATIONS**

A 50% discount from the basic escrow rate is available to school, church, and charitable organizations, registered as a 501(C)3 corporation and who are able to provide the appropriate verification via a Federal Tax ID number of their status.

This reduction in fees will be limited to those improved parcels which are utilized as church buildings or schools affiliated with the church, or in case of other non-profits, the discount will apply to structures currently utilized for the purpose for which the entities were intended. These rates do not apply to vacant land unless concurrent construction is intended consistent with the activities of the non-profit. This rate does not apply to any property granted as a gift or to be held for resale or investment purposes by a church or non-profit organization.

**E222 OUTSIDE SIGNING SERVICES**

At the request of the customer the Company may employ an outside signing service to obtain document signatures. If requested, this service is outside the normal scope of services provided and will be paid by the party benefiting from the service in the event it is necessary to use a contracted signer. The Company's own employees do not charge signing or notary fees.

**E223 SHORT SALE PROCESSING FEE**

In addition to the basic escrow fee, when processed by our Certified Distressed Processing Expert (CDPE) Department assisting with facilitating the sale wherein the lender accepts less than the full payment for the balance due (short sale), an additional processing charge of \$375.00 shall be paid by the seller. Said fee shall be added to the Seller's portion of the escrow fee. However, should the lender or lenders decline to allow all or a portion of said fee, the disallowed portion shall not apply.

**E224 UCC SEARCH FEES**

**Per name search:**

Secretary of State	\$25.00
Maricopa County	\$30.00
Pima County	\$30.00

NOTE: County searches include tax lien and judgment search.

Rush fee	\$15.00
Fax fee per page	\$ 1.00
Document fee per page	\$ 1.50

**E225 ELECTRONIC DOCUMENTS**

Electronic documents shall be included in the basic escrow rate.

**DHI TITLE AGENCY OF ARIZONA, INC.**

Escrow rates effective August 1, 2010

<u>Amount to</u> <u>&amp;</u> <u>Including</u>	<u>Escrow Service</u>
<u>\$100,000</u>	<u>\$450.00</u>
<u>\$150,000</u>	<u>\$550.00</u>
<u>\$155,000</u>	<u>\$555.00</u>
<u>\$160,000</u>	<u>\$560.00</u>
<u>\$165,000</u>	<u>\$565.00</u>
<u>\$170,000</u>	<u>\$570.00</u>
<u>\$175,000</u>	<u>\$575.00</u>
<u>\$180,000</u>	<u>\$580.00</u>
<u>\$185,000</u>	<u>\$585.00</u>
<u>\$190,000</u>	<u>\$590.00</u>
<u>\$195,000</u>	<u>\$595.00</u>
<u>\$200,000</u>	<u>\$600.00</u>
<u>\$205,000</u>	<u>\$605.00</u>
<u>\$210,000</u>	<u>\$610.00</u>
<u>\$215,000</u>	<u>\$615.00</u>
<u>\$220,000</u>	<u>\$620.00</u>

<u>\$225,000</u>	<u>\$625.00</u>
<u>\$230,000</u>	<u>\$630.00</u>
<u>\$235,000</u>	<u>\$635.00</u>
<u>\$240,000</u>	<u>\$640.00</u>
<u>\$245,000</u>	<u>\$645.00</u>
<u>\$250,000</u>	<u>\$650.00</u>

Liability Range

Additional Escrow  
Rate in Excess of  
\$250,000

Per \$5,000 in Excess  
of \$250,000

\$5.00