

DHI TITLE OF ARIZONA, INC.
ESCROW RATE AND CHARGES MANUAL

EFFECTIVE
February 1, 2023

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Section I

General Escrow Rules

A. Definition of Escrow

“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 nonhappening of a specified event or performance or nonperformance of a prescribed act, when it is then to be delivered by such person to a grantee, grantor, promisee, promisor, obligee, obligor, bailee or 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).

B. Definition of Transaction

“Transaction” means the process of completing a real estate closing during which deeds, mortgages, leases and other required instruments are signed and/or delivered, an accounting between the parties is made, the money is disbursed, the papers are recorded, and all other details such as payment of outstanding liens and transfer of hazard insurance policies are attended to.

C. Computation from Basic Rate

The applicable rate shall be computed on a fair value as defined in Paragraph D. Whenever percentages of the Basic Escrow Rate are used herein, the charge arrived at from use of the percentage shall be rounded up to the highest dollar.

D. Fair Value

The fair value shall be defined as the sales price or the sales price including surviving encumbrances, whichever is higher. Where a sale is not involved, the fair value shall be determined from all available information, i.e., amount of encumbrances, assessed value, current appraisals and/or underwriter direction, etc.

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 property, up to three given transaction in a calendar year. 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 DHI Title.)

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

Basic Escrow Rate in Section II is applicable on each transaction, and shall be charged on the amount of each individual sale or exchange even though there may be one common purchaser, or seller, and the sales or exchanges are handled concurrently, and one or more separate escrows are involved.

H. Refinance

“Refinance” means any transaction in which no sale is involved, and a lien shall be secured to a residential property.

I. Transfer of Separately Sold Interest in Real Property

Basic Escrow Rate applicable in Section II shall be based upon the purchase price or the fair value of the percentage of interest being conveyed whichever is higher.

J. Contract Pricing

In certain cases, DHI Title may find it necessary to enter into contracts or agreements with a specific buyer or seller to charge an agreed upon rate for all transactions within a specific project.

K. Affiliated Contracts

To comply with government mandated mortgage regulations, DHI Title may find it necessary to enter into an agreement with its affiliated lender(s) for a reduction in fees, in accordance with written directives. This agreement will not apply to transactions involving any other lenders, nor does it apply to cash transactions.

Section II

Basic Escrow Rates

Up to and including

| | | | | | |
|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| <u>\$100,000</u> | <u>\$850.00</u> | <u>\$250,000</u> | <u>\$1,100.00</u> | <u>\$355,000</u> | <u>\$1,210.00</u> |
| <u>\$150,000</u> | <u>\$950.00</u> | <u>\$255,000</u> | <u>\$1,105.00</u> | <u>\$360,000</u> | <u>\$1,215.00</u> |
| <u>\$155,000</u> | <u>\$960.00</u> | <u>\$260,000</u> | <u>\$1,110.00</u> | <u>\$365,000</u> | <u>\$1,220.00</u> |
| <u>\$160,000</u> | <u>\$970.00</u> | <u>\$265,000</u> | <u>\$1,115.00</u> | <u>\$370,000</u> | <u>\$1,225.00</u> |
| <u>\$165,000</u> | <u>\$980.00</u> | <u>\$270,000</u> | <u>\$1,120.00</u> | <u>\$375,000</u> | <u>\$1,230.00</u> |
| <u>\$170,000</u> | <u>\$990.00</u> | <u>\$275,000</u> | <u>\$1,125.00</u> | <u>\$380,000</u> | <u>\$1,235.00</u> |
| <u>\$175,000</u> | <u>\$1,000.00</u> | <u>\$280,000</u> | <u>\$1,130.00</u> | <u>\$385,000</u> | <u>\$1,240.00</u> |
| <u>\$180,000</u> | <u>\$1,010.00</u> | <u>\$285,000</u> | <u>\$1,135.00</u> | <u>\$390,000</u> | <u>\$1,245.00</u> |
| <u>\$185,000</u> | <u>\$1,020.00</u> | <u>\$290,000</u> | <u>\$1,140.00</u> | <u>\$395,000</u> | <u>\$1,250.00</u> |
| <u>\$190,000</u> | <u>\$1,030.00</u> | <u>\$295,000</u> | <u>\$1,145.00</u> | <u>\$400,000</u> | <u>\$1,260.00</u> |
| <u>\$195,000</u> | <u>\$1,040.00</u> | <u>\$300,000</u> | <u>\$1,150.00</u> | <u>\$405,000</u> | <u>\$1,265.00</u> |
| <u>\$200,000</u> | <u>\$1,050.00</u> | <u>\$305,000</u> | <u>\$1,155.00</u> | <u>\$410,000</u> | <u>\$1,270.00</u> |
| <u>\$205,000</u> | <u>\$1,055.00</u> | <u>\$310,000</u> | <u>\$1,160.00</u> | <u>\$415,000</u> | <u>\$1,275.00</u> |
| <u>\$210,000</u> | <u>\$1,060.00</u> | <u>\$315,000</u> | <u>\$1,165.00</u> | <u>\$420,000</u> | <u>\$1,280.00</u> |
| <u>\$215,000</u> | <u>\$1,065.00</u> | <u>\$320,000</u> | <u>\$1,170.00</u> | <u>\$425,000</u> | <u>\$1,285.00</u> |
| <u>\$220,000</u> | <u>\$1,070.00</u> | <u>\$325,000</u> | <u>\$1,175.00</u> | <u>\$430,000</u> | <u>\$1,295.00</u> |
| <u>\$225,000</u> | <u>\$1,075.00</u> | <u>\$330,000</u> | <u>\$1,180.00</u> | <u>\$435,000</u> | <u>\$1,305.00</u> |
| <u>\$230,000</u> | <u>\$1,080.00</u> | <u>\$335,000</u> | <u>\$1,185.00</u> | <u>\$440,000</u> | <u>\$1,315.00</u> |
| <u>\$235,000</u> | <u>\$1,085.00</u> | <u>\$340,000</u> | <u>\$1,190.00</u> | <u>\$445,000</u> | <u>\$1,325.00</u> |
| <u>\$240,000</u> | <u>\$1,090.00</u> | <u>\$345,000</u> | <u>\$1,195.00</u> | <u>\$450,000</u> | <u>\$1,335.00</u> |
| <u>\$245,000</u> | <u>\$1,095.00</u> | <u>\$350,000</u> | <u>\$1,200.00</u> | <u>\$455,000</u> | <u>\$1,345.00</u> |

For amounts above those listed, add \$5.00 for every \$5,000 in excess of \$455,000

Section III

(New Home Construction Basic Escrow Rates)

Up to and including

| | | | | | |
|------------------|-----------------|------------------|-------------------|------------------|-------------------|
| <u>\$100,000</u> | <u>\$750.00</u> | <u>\$250,000</u> | <u>\$1,000.00</u> | <u>\$355,000</u> | <u>\$1,105.00</u> |
| <u>\$150,000</u> | <u>\$850.00</u> | <u>\$255,000</u> | <u>\$1,005.00</u> | <u>\$360,000</u> | <u>\$1,110.00</u> |
| <u>\$155,000</u> | <u>\$860.00</u> | <u>\$260,000</u> | <u>\$1,010.00</u> | <u>\$365,000</u> | <u>\$1,115.00</u> |
| <u>\$160,000</u> | <u>\$870.00</u> | <u>\$265,000</u> | <u>\$1,015.00</u> | <u>\$370,000</u> | <u>\$1,120.00</u> |
| <u>\$165,000</u> | <u>\$880.00</u> | <u>\$270,000</u> | <u>\$1,020.00</u> | <u>\$375,000</u> | <u>\$1,125.00</u> |
| <u>\$170,000</u> | <u>\$890.00</u> | <u>\$275,000</u> | <u>\$1,025.00</u> | <u>\$380,000</u> | <u>\$1,130.00</u> |
| <u>\$175,000</u> | <u>\$900.00</u> | <u>\$280,000</u> | <u>\$1,030.00</u> | <u>\$385,000</u> | <u>\$1,135.00</u> |
| <u>\$180,000</u> | <u>\$910.00</u> | <u>\$285,000</u> | <u>\$1,035.00</u> | <u>\$390,000</u> | <u>\$1,140.00</u> |
| <u>\$185,000</u> | <u>\$920.00</u> | <u>\$290,000</u> | <u>\$1,040.00</u> | <u>\$395,000</u> | <u>\$1,145.00</u> |
| <u>\$190,000</u> | <u>\$930.00</u> | <u>\$295,000</u> | <u>\$1,045.00</u> | <u>\$400,000</u> | <u>\$1,150.00</u> |
| <u>\$195,000</u> | <u>\$940.00</u> | <u>\$300,000</u> | <u>\$1,050.00</u> | <u>\$405,000</u> | <u>\$1,155.00</u> |
| <u>\$200,000</u> | <u>\$950.00</u> | <u>\$305,000</u> | <u>\$1,055.00</u> | <u>\$410,000</u> | <u>\$1,160.00</u> |
| <u>\$205,000</u> | <u>\$955.00</u> | <u>\$310,000</u> | <u>\$1,060.00</u> | <u>\$415,000</u> | <u>\$1,165.00</u> |
| <u>\$210,000</u> | <u>\$960.00</u> | <u>\$315,000</u> | <u>\$1,065.00</u> | <u>\$420,000</u> | <u>\$1,170.00</u> |
| <u>\$215,000</u> | <u>\$965.00</u> | <u>\$320,000</u> | <u>\$1,070.00</u> | <u>\$425,000</u> | <u>\$1,175.00</u> |
| <u>\$220,000</u> | <u>\$970.00</u> | <u>\$325,000</u> | <u>\$1,075.00</u> | <u>\$430,000</u> | <u>\$1,180.00</u> |
| <u>\$225,000</u> | <u>\$975.00</u> | <u>\$330,000</u> | <u>\$1,080.00</u> | <u>\$435,000</u> | <u>\$1,185.00</u> |
| <u>\$230,000</u> | <u>\$980.00</u> | <u>\$335,000</u> | <u>\$1,085.00</u> | <u>\$440,000</u> | <u>\$1,190.00</u> |
| <u>\$235,000</u> | <u>\$985.00</u> | <u>\$340,000</u> | <u>\$1,090.00</u> | <u>\$445,000</u> | <u>\$1,195.00</u> |
| <u>\$240,000</u> | <u>\$990.00</u> | <u>\$345,000</u> | <u>\$1,095.00</u> | <u>\$450,000</u> | <u>\$1,200.00</u> |
| <u>\$245,000</u> | <u>\$995.00</u> | <u>\$350,000</u> | <u>\$1,100.00</u> | <u>\$455,000</u> | <u>\$1,205.00</u> |

For amounts above those listed, add \$5.00 for every \$5,000 in excess of \$455,000

Section IV

Escrow Rates

E101 Rate (Real Property Sale Transaction)

The minimum charge of 100% of the Basic Escrow Rate shall be based upon the fair value of the property in the transaction. Unless otherwise noted or instructed in writing, the rate shall be paid one-half by the buyer and one-half by the seller.

The Basic Escrow Rate shall include fees incurred by the company for wire transfers, courier services, reconveyance tracking and electronic recording.

E102 Rate (Real Property Loan Transaction)

- A) If concurrent with a sale transaction, there shall be an additional rate added to the basic rate as described in section E101. The rate shall be \$100.00 per loan.
- B) Residential refinance transactions shall be charged a flat rate of \$475.00. This rate includes any of the following required services. In addition to the services listed in E101, this rate includes one mobile notary service within Maricopa County if needed. Additional services may be provided, and applicable charges shall apply.
- C) If no sale is involved and the purpose of the transaction is to secure a construction loan, the basic escrow rate shall be based upon the dollar value of the fully disbursed construction loan. This rate shall include lender requests for additional services such as obtaining lien waivers and architectural approval.
- D) If no sale is involved and the purpose of the transaction is to secure a VA loan, the lender may be required to pay fees for the borrower. In this event, the rate shall be \$100.00.
- E) If no sale is involved and the purpose of the transaction is to secure a commercial loan, the rate charged shall be based upon the loan amount as follows:

| | |
|--------------------------|----------|
| Up to \$800,000 | \$500.00 |
| \$800,001-\$1,000,000.00 | \$600.00 |
| \$1,000,001.00 and above | \$700.00 |

E104 Negotiated Rate (High Volume Lender)

In certain cases, DHI Title may find it beneficial to enter into contracts or agreements with a high-volume lender client. A high-volume lender client is defined as any client who will record 200 or more deeds of trust or other security instruments within one calendar year. The minimum rate shall not be less than \$100.00. Negotiated rate shall be in writing and signed by all parties to the transaction and kept in the escrow file.

E105 Rate (Sub Escrow)

Sub-escrow service may be provided in support of primary escrow holder or institutional lender, etc., at a fixed rate agreed upon by and between DHI Title and said primary escrow holder or lender, dependent upon the difficulty of the escrow. The minimum shall not be less than \$100.00 and the maximum shall not exceed 50% of the applicable rate.

Services available under this section are restricted to the receipt of funds, recordation of applicable documents, and the disbursement of such funds for the elimination of matters affecting title, according to written instructions from the primary escrow holder and/or lender.

E106 Rate (Builder/Developer)

A) Builder/Developer (Sales)

This rate is available to a builder, contractor, developer, or sub-divider customarily engaged in such business for the units being developed in a common promotional plan. This rate shall apply only when the transaction involves the sale to a consumer home buyer, lot purchaser, or a transfer to a homeowners' association. This rate shall only apply to the portion of the escrow rate customarily paid by the seller. This rate shall be based upon the number of units conveyed within a calendar year by the qualifying transferor.

| | |
|--------------------|--|
| 1-30 units | – 70% of New Home Construction Basic Escrow Rate |
| 31-1199 units | – 50% of New Home Construction Basic Escrow Rate |
| 1200 or more units | – 40% of New Home Construction Basic Escrow Rate |

B) Builder/Developer (Purchase)

The rate is available to a builder, contractor, developer, or sub-divider customarily engaged in such business when the transaction is to acquire property for the eventual sale to a consumer home buyer, lot purchaser, or a transfer to a homeowners' association. This rate shall only apply to the portion of the escrow rate customarily paid by the buyer. This rate shall be based upon the aggregate sale amounts of all property transactions transferred through DHIT in a calendar year by the same transferee.

| | |
|-----------------------------|----------------------------|
| \$0.00 - \$3,000,000 | - 70% of Basic Escrow Rate |
| \$3,000,001 - \$10,000,000 | - 65% of Basic Escrow Rate |
| \$10,000,001 - \$15,000,000 | - 60% of Basic Escrow Rate |
| \$15,000,001 and above | - 55% of Basic Escrow Rate |

C) Builder/Developer (Loan Only)

The rate is available to a builder, contractor, developer, or sub-divider customarily engaged in such business when the transaction does not involve a transfer of title. This rate shall be based upon the fair value of the property. The rate shall be 70% of the basic escrow rate.

E107 Rate (Leasehold)

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

E108 Rate (Auction)

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 and courier and overnight delivery fees. The rate shall be split between the parties as specified in the Purchase Agreement. The rate shall be \$900.00 per transaction. Additional fees may be charged consistent with the Company's rate filed for additional services.

E109 Rate (Time Share)

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

E110 Rate (Short Sale)

This rate shall apply to all transactions requiring approval by the lender(s) of record as to the terms of the transaction. This rate shall include reconveyance tracking and payment of up to three unsecured obligations. The rate shall be \$250.00 in addition to the basic rate.

E111 Rate (Escrow Only)

This rate shall apply to any sale transaction with no title policy to be issued by DHI Title. No other rates shall apply. The rate shall be 200% of the basic rate.

E112 Rate (First Responder/Military)

This rate is available to any bona fide 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 DHI Title 5 days prior to escrow closing. This rate is applicable only to fees customarily paid by the qualified party. The rate shall be 80% of the basic rate.

E113 Rate (Investor)

This rate is available to licensed real estate professionals, licensed mortgage professionals, or other individuals or entities customarily engaged in real estate investments wherein they are a buyer or seller. This rate is applicable only to fees customarily paid by the qualified party. 70% of the basic rate will be charged.

E114 Rate (Non-Profit Housing Organization)

The escrow rate for non-profit housing organizations will be \$300.00 per transaction.

E115 Rate (Church and Non-Profit)

Rates under this section shall apply to transactions involving the purchase or resale of property by any organization which is recognized as a non-profit organization by the federal government. Proof of non-profit status must be provided to DHI Title 5 days prior to escrow closing. This rate is applicable only to fees customarily paid by the qualified party. The rate shall be 50% of the basic rate.

E116 Rate (Relocation)

Rates under this section shall apply to transactions involving the purchase or resale of property resulting from a buyer or seller participating in a company sponsored relocation plan. Such rates are authorized only in connection with those costs which the buyer or 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, according to written instructions. The rate shall be 70% of the basic rate.

E117 Rate (REO Escrow Only)

This rate shall be applied to any transaction involving an REO property, in which title insurance is not to be provided by DHI Title. This rate shall include all electronic fund transfers for proceeds and/or liens and obligations necessary to insure the property, electronic transmission of loan documents, and reconveyance tracking charges. The rate shall be \$1,200.00.

E118 Competitor Rate (Residential Resale and Refinance Transaction)

The company reserves the right to match any published escrow rate for residential resale or refinance transactions from a competitor's title or escrow company. The competitor's residential resale or refinance escrow rate must be filed and approved by the Arizona Department of Financial Institutions and currently in effect for transactions in Arizona. Evidence of competitor's AZ DOI filing must be obtained and kept in the Escrow File.

Section V

Escrow Charges

The following charges may be applicable for services not included in the basic rate. All charges collected for services rendered in this section shall be considered earned income. Upon cancellation, said charges may be deducted from any earnest money prior to disbursement.

E201 Charge (Additional Work)

Additional work charges may be made when special services are provided and shall be based upon difficulty of the transaction and services provided. The charge will be \$100.00 per hour minimum.

E202 Charge (Interest Bearing Accounts)

In connection with a transaction, escrowed funds being held by DHI Title may be placed into an interest-bearing account upon the written request of all parties to the escrow. The funds will be placed in an account with the fiduciary institution with which DHI Title has its escrow account. The charge is for opening, servicing, and closing out the account. The charge for each such account shall be \$35.00.

E203 Charge (Recording Fee)

DHI Title will charge a recording fee equal to the actual amount required to record legal documents. These fees shall include charges from the county recorder, any submission platforms, and any other service utilized for recordation.

E204 Charge (Holdback)

There may be a charge of \$100.00 when DHI Title is instructed to holdback funds post-closing.

E205 Charge (Abandoned Funds)

When funds remain in an escrow subsequent to the closing or cancellation thereof and said funds are unclaimed or un-disbursed for a period of six months or more, there shall be a maintenance charge of \$25.00 per month for said funds beginning 30 days from the close of escrow. Funds shall be held until depleted or such time as any remaining funds can be properly escheated, by law, to the State of Arizona. Upon final disbursement of said funds the maintenance charge shall be deducted from the amount held and the balance disbursed accordingly.

E206 Charge (Affixture of Mobile Homes)

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

E207 Charge (Reproduction of Documents)

Standard reproduction of documents may be charged at the rate of \$30.00 per employee hour for reasonable clerical services, plus \$0.25 for each page produced.

E208 Charge (Inspection)

There shall be a charge for each physical property inspection required. The charge shall be \$75.00 for a single lot or parcel. For multiple lots in a common subdivision or contiguous parcels of land, the charge shall be \$75.00 for the first lot/parcel plus \$5.00 for each additional common lot or contiguous parcel thereafter.

E209 Charge (Short Sale Processing)

In addition to the rate specified in E110, transactions processed by our Certified Distressed Property Expert (CDPE) Department will be subject to an additional processing charge. Said charge shall be paid by the Seller. The charge for this service shall be \$500.00.

Should the lender or lenders refuse to allow all or a portion of said fee, the disallowed portion shall not apply.

E210 Charge (UCC Search)

There may be a charge for each UCC search deemed necessary on a transaction. The amount of the charge shall be \$30.00.

If a rush is requested, (completion within 48 hours), an additional \$15.00 may be charged.