



Arizona Escrow Rate Manual

Revised Effective: August 1, 2022

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A. Preface

1. An “Escrow Fee” is the amount charged for the acceptance of an escrow transaction and the performance of escrow duties by an “Escrow Agent.”

Based on the specific terms and conditions of each escrow transaction, there may be additional fees charged in addition to the escrow fee described above.

2. The purpose of this rate manual is to describe and apply the above rates in the due course of business.

B. Definitions (A.R.S. §6-801)

1. “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 of 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, promise, promisor, obligee, obligor, bailee or bailor, or any designated agent or employee of any of them. Escrow includes subdivision trusts and account servicing.
2. “Escrow agent” means any person engaged in the business of accepting escrows.

Note: Unless otherwise specified herein, whenever there is a reference to “Escrow Agent,” it shall mean Carefree Title Agency, Inc.

3. “Escrow business” means a commercial activity characterized by the regular and continuous carrying on of escrow transactions.
4. “Escrow property” means property, money, a written instrument or evidence of title or possession to real or personal property or any other thing of value.

C. Additional Definitions

1. “Fair Value” shall be construed as the sales price of the property, including all encumbrances. When a sale is not applicable, the fair value shall be determined from all available information, such as the amount of the 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 the buyer, including but not limited to MIP Premiums, will not be included in the unpaid principal balance for the purpose of determining fair value.

2. Computation of the “Basic Escrow Fee” listed in Appendix A, is based on the “Fair Value” of the property as defined above in increments of Fifty thousand dollars (\$50,000), including any fractional percentage thereof or a flat set charge.

Whenever any fractional percentage of the “Fair Value” is used, the fee arrived at will be rounded up to the next highest fee increment. For example, if the “Fair Value” is \$265,025.00, the “Basic Escrow Fee” will be based on \$300,000.00.

The “Basic Escrow Fee” and the “Loan Escrow Fee” will include the following services and will be further described herein as Schedule of Escrow Fees:

- Courier/Messenger Fees
- Overnight Delivery Fees
- E-Recording and/or recording service fees
- Recording fee (s) charged by the county
- Loan Tie fee (1st loan)
- Document preparation fees
- Printing / downloading loan document fees
- Wire transfer fees
- Notary fee (when notary services are conducted in the Escrow Agent’s office during normal business hours)

The “Basic Escrow Fee” and the “Loan Escrow Fee” will **NOT** include the following and will be further described herein as Special Fees and Rates:

- Additional Work charge (s)
- Notary fee (when notary services are conducted outside of Escrow Agent’s office inside or outside normal business hours)
- Remote Online Notary Service fee (s)
- Holdback fee(s)
- Interest Bearing account fee (set up/maintenance)
- Non-Sufficient Funds check processing fee

3. Acquisition of undivided interests for a single escrow transaction that involves the same purchaser purchasing the undivided interest(s) in a specific or multiple property(s), shall be based on the aggregate amount of the “Fair Value” of the interest being conveyed.
4. The fees stated herein stated are the minimum charges, unless otherwise specified. Additional charges will be made when unusual conditions are encountered, when special risks are assumed or when special services are provided.
5. All rates and fees described herein, become effective when approved by the Arizona Department Insurance and Financial Institutions.

D. Basic Escrow Fee

1. Basic Escrow Fee (Sale)

The Basic Escrow Fee will be 100% of the fee listed in Appendix A.

2. Basic Escrow Fee (Sale w/ Loan)

The Basic Escrow Fee for a sale transaction will be 100% of the Basic Escrow fee listed in Appendix A and will include one (1) mortgage loan. If there is more than one (1) mortgage loan, there shall be an additional fee of \$200 charged per each additional mortgage loan.

3. Loan Escrow Fee

The Loan Escrow fee for transactions absent a transfer of title i.e. Refinances, Construction Loans, Cash Out Equity Loans will be charged a flat rate of \$450.00.

E. Additional Fees and Rates

1. Additional Work Charges

There will be an additional work charge fee for any additional work over and above the normal processing of an escrow transaction at the rate of \$100.00 per hour, with a one hour minimum. Before any additional work is performed, Escrow Agent will notify the party to be charged, in writing (electronic or otherwise) the nature, scope, and time required before the application of this fee.

2. Notary Fee / Outside Signing Service / Remote Online Notary Services

In order to accommodate one or more of the parties to an escrow transaction, Escrow Agent may employ the services of an outside signing service. If services are requested outside of Escrow Agent's normal business hours, away from Escrow Agents office, the party benefiting from this service will be charged fees equal to the actual charges invoiced by the third-party provider.

3. Holdbacks

The fee for Holdbacks where funds are being held after close of escrow shall be \$100.00 per file as applicable and will include only one (1) disbursement payable as agreed by all parties to the escrow.

4. Interest Bearing Account

There will be a charge of \$35.00 to any party in a transaction who requests their funds currently on deposit in escrow to be deposited into an interest-bearing account. This fee will cover setting up and any ongoing maintenance to the account.

NOTE: Commercial transactions are exempt from this fee.

5. Non-Sufficient Funds Fee

The fee for processing a “Non-Sufficient Funds Check” shall be \$25.00 per returned item plus any actual bank charges incurred by the Escrow Agent.

F. Special Rates and Discounts

1. Investor Rate

The “Investor Rate” is 70% of the Basic Escrow Fee.

This rate is available to licensed real estate professionals, licensed mortgage professionals, or other individuals or entities customarily engaged in real estate investments, and as a result may produce revenue/income or profit from its employment.

This rate can only be applied to the full “Basis Escrow Fee” and cannot be combined with any other “Special Rates and Discounts” described herein.

2. Governmental Rate

Separate contract may be entered into with governmental, state, or municipal agencies for the performance of escrow services. Charges for such services will be agreed upon by and in between the Escrow Agent and the governmental, state, or municipal agency.

This rate cannot be combined with any other “Special Rate and Discount” listed herein.

3. Negotiated Rate

Under certain circumstances, the Escrow Agent reserves the right to negotiate fees if it has been approved, in writing, by an officer of the company as well as signed off by both the Escrow Agent and client who is benefitting from the negotiated rate.

This rate cannot be combined with any other “Special Rate and Discount” listed herein.

4. Military / First Responder / Teacher Rate

The “Military / First Responder / Teacher Rate” is 80% of the Basic Escrow Fee.

This rate is available to all branches of the military services, police, fire department, EMT, teachers, professors, licensed day care providers

This rate can only be applied to the full “Basis Escrow Fee” and cannot be combined with any other “Special Rates and Discounts” described herein.

5. Employee Rate

There shall be 100% discount on the “Basic Escrow Fee” for all employees of Carefree Title Agency and Meritage Homes. This rate shall only apply to the employee’s primary residence.

This rate cannot be combined with any other “Special Rate and Discount” listed herein.

G. Appendix A

<u>Amount to & Including</u>	<u>Basic Escrow Rate</u>		<u>Amount to & Including</u>	<u>Basic Escrow Rate</u>		<u>Amount to & Including</u>	<u>Basic Escrow Rate</u>
\$ 250,000	\$ 1,065		\$ 550,000	\$ 1,450		\$ 850,000	\$ 1,800
\$ 300,000	\$ 1,130		\$ 600,000	\$ 1,510		\$ 900,000	\$ 1,855
\$ 350,000	\$ 1,195		\$ 650,000	\$ 1,570		\$ 950,000	\$ 1,910
\$ 400,000	\$ 1,260		\$ 700,000	\$ 1,630		\$1,000,000	\$ 1,965
\$ 450,000	\$ 1,330		\$ 750,000	\$ 1,690		Add per \$50,000 or fraction over	\$50
\$ 500,000	\$ 1,390		\$ 800,000	\$ 1,745			