

# 1<sup>st</sup> Option Title



State of Arizona

## Escrow Fees and Rates Effective February 12, 2024

The Schedule of fees and charges shall supersede all Schedule Fees and Charges previously filed with the Arizona Department of Financial Institution pursuant to A.R.S. §6-846 et Seq. on behalf of 1<sup>st</sup> Option Title, LLC All fees and charges are subject to change without prior notice.

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1<sup>st</sup> Option title  
Basic Escrow Rate

Transaction Amount Up to and including	Rate \$
0 - 100,000	800
100,001 - 150,000	850
150,001 - 200,000	900
200,001 - 250,000	950
250,001 - 300,000	1000
300,001 - 350,000	1050
350,001 - 400,000	1,100
400,001 - 450,000	1,150
450,001 - 500,000	1,200
500,001 - 550,000	1,250
550,001 - 600,000	1,300
600,001 - 650,000	1,350
650,001 - 700,000	1,400
700,001 - 750,000	1,450
750,001 - 800,000	1,500
800,001 - 850,000	1,550
850,001 - 900,000	1,600
900,001 - 950,000	1,650
950,001 - 1,000,000	1,700
For Transactions over \$1,000,000 add \$50.00 per \$50,000.	

# 1. GENERAL RULES

## 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 to a grantee, grantor, promise, promissory, obligee, obligor, bailee, bailor, or a designated agent or employee of any of them, delivery may be with or without transfer of legal or equitable title, or both, and irrespective of whether a debtor/ creditor relationship is created. The transfer 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 shall occur upon the delivery or re-delivery to that person upon the contingent happening or non-happening of a specified event or performance or non-performance of a prescribed act, pursuant to mutually agreeable instructions to a neutral third party. Escrow includes subdivision trust (A.R.S. 6-801, as Amended).

## B. FAIR VALUE

The fair value shall be construed as the full value of the property, including the encumbrances. When a sale is not involved, the fair value shall be determined from all available information, i.e., amount of encumbrances assessed value, etc. In no event shall it be less than the sum of the unpaid principal balances of the mortgages and or contracts to which the property is subject.

## C. COMPUTATION FROM BASIC ESCROW RATE

**C1.** The rate shall always be applied on fair value as defined in B above, in multiples of \$50,000.00, including any fraction thereof.

**C2.** 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 nearest dollar.

**C3.** Unless otherwise instructed in writing by the parties, the escrow charges shall be paid one half by the buyer and one half by the seller.

**C4.** 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 or who will benefit by such services.

**D. MINIMUM CHARGES**

The charges set forth herein are minimum charges. Additional charges will be incurred when special services are requested. In the event such charges are made, the deposit of final funds and the signing of final documents or the acceptance of the work performed will constitute approval of the charges.

**E. RATES AND CHARGES IN EFFECT**

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

**F. TRANSFER OF UNDIVIDED INTEREST (OR WHEN SOLD SEPARATELY FROM REMAINING INTEREST)**

Basic charge applicable, based upon the interest covered, the purchase price or the fair market value thereof.

**G. UNIQUE ESCROW REQUIREMENTS / NEGOTIATED RATE**

In some cases, due to unusual requirements the company may find it necessary to enter into contracts or agreements for various services to be rendered and the charge to be made thereon. All such requests must be submitted in full detail for consideration by the President and Chief Executive Officer and signed by all parties. 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. Copy of signed agreement is to be placed in the escrow file for which it applies. Minimum rates shall not apply.

## 2. EXPLANATION OF CHARGES AND FEES

### A. SALE ESCROW RATE

The minimum charge of 100% of the Basic Escrow Rate shall be based upon insurance issued, sales price, or 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.

- Discounts may be applied to this rate; however, the total may not go below the **Minimum of \$450.00**

### B. BUNDLED PURCHASE TRANSACTION

These fees are to be in addition to the Sale Escrow Rate and will be charged equally  $\frac{1}{2}$  to the Buyer and  $\frac{1}{2}$  to the Seller, unless otherwise instructed in writing.

#### B1. Cash

**\$200.00**

The following services are included in this fee: Courier Delivery, Overnight Mail, Wire Transfer Fee

#### B2. Sale with Loan

**\$400.00**

The following services are included in this fee: Courier Delivery, Electronic Document Delivery, Concurrent Loan, Overnight Mail, Wire Transfer Fee

- Other charges may apply for additional transaction requirements.
- This rate does not apply to Refinance Transactions.
- When charged, these fees will be considered earned income and non-refundable.

### C. BUNDLED REFINANCE RATE

This is a bundled rate for escrow production and transaction fees combined.

#### C1. Refinance or New Financing whether a lien is recorded or not. **\$325.00**

This is an all-inclusive rate which includes the following: Courier Delivery, Electronic Document Delivery, Overnight Mail, Reconveyance, 1 Signing Service Fee up to \$125, Wire Transfer Fee.

**C2. Reverse Mortgage**

**\$425.00**

This is an all-inclusive rate which includes the following: Courier Delivery, Electronic Document Delivery, Overnight Mail, Reconveyance, 1 Signing Service Fee up to \$125, Wire Transfer Fee.

**D. LEASEHOLD ESCROW RATE**

**100% of Basic Escrow**

The Leasehold Escrow Rate shall be charged at 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.

**E. ESCROW ONLY SERVICES**

**150% of Basic Escrow**

This rate is applicable for escrow services which do not involve the issuance of Title Insurance.

### 3. MISCELLANEOUS FEES AND CHARGES

There are a variety of 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 if they are not already included in the transaction bundle. When charged, these fees will be considered earned income and non-refundable.

- Rates will be charged to the benefiting party unless otherwise instructed in writing.

**A. ADDITIONAL WORK FEE** **\$200.00**

This fee will be charged when special services are requested and/or required.

\*Assignment fees will be charged \$100 per assignment, separate from the additional work fee

**B. CHECK SERVICE FEE** **\$25.00**

A processing fee will be assessed when additional check services are requested or required for stop payment and/or reissuance of a check.

- Company may elect to deduct fees from reissued check(s).
- No charge will be assessed if reissue is due to escrow error.

**C. CONCURRENT LOAN** **\$100.00**

This fee will be charged when a loan escrow is handled concurrently with a sale escrow, fee shall apply per loan.

**D. COURIER DELIVERY** **\$35.00**

Fee will be charged when courier services are necessary to retrieve or send documents from parties involved in the escrow transaction.

**E. ELECTRONIC DOCUMENT DELIVERY** **\$35.00**

A per package fee will be charged when escrow agent processes a loan package sent by email from the lender or other party.



- F. FILE MAINTENANCE AND DORMANT FUNDS** **\$150.00**  
 There shall be a maintenance fee collected in the amount of \$150.00 for accounting follow up, tracking of funds and if necessary, escheatment to the state of Arizona. This fee will be paid to Pinnacle Title and Escrow Agency for funds remaining in an escrow account due to the payee's failure to negotiate funds. This fee will be implemented after the required time frames have lapsed. A written notice will be sent to the last known address of the payee and charge collected before escheatment of the funds to the State. In the event the fee incurred meets or exceeds the amount of the non-negotiated funds, the amount of the unclaimed funds shall be deemed payment in full.
- G. FIRPTA FILING FEE** **\$200.00**  
 This charge shall apply when the transaction involves withholding of proceeds and payment of same to the Internal Revenue Service in connection with the Foreign Investment Real Property Tax Act.
- H. INTEREST BEARING ACCOUNT SETUP** **\$100.00**  
 Fee will be charged to the depositor of funds when escrow agent is requested to establish an interest-bearing account for funds deposited into escrow.
- I. LIMITED TITLE FEE** **\$125.00**  
 This charge shall apply when a non-insured limited report is requested on a property.
- J. NSF PROCESSING FEE** **\$50.00**  
 Company may elect to charge fees due to check being returned as non-sufficient funds.
- K. OUTGOING WIRE FEE** **\$35.00**  
 This fee will be charged per disbursement for issuance of funds via wire transfer. Fee shall be charged to the benefiting party (Buyer/Borrower or Seller) requesting said service.
- L. OVERNIGHT MAIL** **\$35.00**  
 Fee will be charged when overnight delivery service is required or requested on any document or package.

**M. RECORDING SERVICE FEE** **\$100.00**  
Cost for recording shall be charged 50/50. One half to the Buyer and one half to the Seller.

**N. RELEASE AND RECONVEYANCE TRACKING FEE** **\$100.00**  
A fee of \$100.00 will be charged when handling the payoff of a loan if the release is not provided for recording through escrow, prior to closing escrow. This charge covers the additional record keeping expense of monitoring the follow through with the paid lender and record keeping and possible recording cost for a delayed reconveyance. The reconveyance processing fee is nonrefundable once the real estate transaction to which it is attached is closed and recorded and is earned concurrent with issuing the payoff check at close. When charged this fee will be considered earned income and non-refundable.

**O. SEPTIC TRANSFER FEE** **\$20.00**  
This fee will be charged when a transaction requires us to complete the on-line septic transfer documents according to the septic inspection results and transmit the information to the state.

**P. SIGNING SERVICE FEE** **\$150.00**  
Escrow signing services (document signatures/notarization) offsite or onsite may be available. When signed by an authorized company employee per transaction package.

**Q. WELL TRANSFER FEE** **\$20.00**  
This fee will be charged when a transaction requires us to complete the well transfer documents and transmit the information to the state.

## 4. SPECIAL RATES AND CHARGES

- Special Rates may not be combined with any other discounted or special rate.

- A. SENIOR CITIZENS RATE:** **80% Rate**  
This rate shall apply to Senior Citizens (60 and older) on residential transactions. It will be the responsibility of the party entitled to a discount to request it.
- B. MILITARY, FIRST RESPONDER, TEACHERS:** **80% Rate**  
This rate is available to any active or retired member of the Armed Forces of the United States of America, as well as to employees of local or state law enforcement agencies, employees of federal law enforcement agencies, and state and local fire department employees and teachers. It shall be the responsibility of the party entitled to a discount to request it.
- C. EMPLOYEE RATES** **N/C**  
No base escrow fee will be charged to employees of the Company, its subsidiary or affiliated companies for policies issued in connection with the financing, refinancing, sale, or purchase of the employee's bona fide primary home property. Other costs will be charged as applicable. Waiver of such charges is authorized only in connection with those costs which the employee would be obliged to pay, by established custom, as a part to the transaction.
- D. INVESTOR RATE** **70% Rate**  
This rate is available to a volume user and investor, anyone who regularly deals in the buying and/or selling of Real Estate. This rate shall apply to all or any portion of the escrow fee paid by the developer, volume user or investor.
- E. RATE MATCH**  
Company may match any rate appropriately filed with the Arizona Department of Finance. This must be approved by management, and proper documentation of the matched rates must be in the file.