

Part 519 – Farm and Ranch Lands Protection Program

Subpart J – Exhibits

519.114 Letter from Closing Agent to Cooperating Entity on Closing Agent Requirements

Letter from Closing Agent to Cooperating Entity Concerning the Closing Agent Instructions for the Farm and Ranch Lands Protection Program

Date:

Dear [Name of Representative of Cooperating Entity]:

Re: [Brief Description of Property]

By signing this document, I am certifying that I meet the requirements set forth herein, which ensure that the Federal funds received are used to assist in purchasing the subject easement and are handled in a manner that protects the interests of the United States of America. These instructions are in addition to any closing instructions provided by the Grantee.

I, (closing agent name), am responsible for having current knowledge of the requirements of State law in connection with closing real estate transactions and title clearance. The title insurance company must comply with all State laws, including title insurance reserves requirements. I am an approved agent licensed to engage in title insurance business in the State. The title insurance company must be approved by the State Insurance Commissioner.

I, (Closing agent name), will provide evidence of liability insurance coverage in the amount of at least the Federal contribution for each easement satisfactory to the Natural Resources Conservation Service (NRCS), acting on behalf of the Commodity Credit Corporation, providing for reimbursement to NRCS for any loss of Federal funds caused by fraud or dishonest or failure by the attorneys, agents, or my employees to comply with these written closing instructions. The American Land Title Association (ALTA) Closing Protection Letter Revised 3/27/87 is satisfactory to meet this condition of responsibility. Evidence of liability insurance will be provided to NRCS and the (cooperating entity) prior to the transfer of Federal funds into escrow.

I, (Closing agent name), will not close on an easement purchase for a spouse, children, partners, or business associates that have a financial interest in the real estate to be covered by the proposed easement.

The parties to this transaction are as follows:

United States of America

Natural Resources Conservation Service

NRCS State Office Address

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Grantee (Cooperating Entity):

(Enter Grantee's name, address and phone number)

Landowner/Grantor:

(Enter landowner(s) names, address and phone number)

The USA's portion of purchase price for the acquisition will be sent to me from the U.S. Treasury by electronic fund transfer (EFT) prior to closing payable to the landowner(s) in the amount of \$_(to be inserted by the cooperating entity). I am authorized and instructed to close and record within 14 calendar days of receipt of the Federal funds, and I will ensure that the following will occur: (1) I have received the properly executed Warranty Easement Deed from the Landowner; (2) I am prepared to secure the policy of title insurance referred to below; (3) all items required to be removed, released, subordinated, or otherwise handled as required by the Grantee will be completed and the applicable clearance documents recorded; (4) all taxes, homeowners assessments, etc. are paid to the date the Warranty Easement Deed is recorded; and (5) comply with any listed title commitment/binder requirements. All costs to clear title are the responsibility of the (Grantee or Grantor). If any new encumbrances have been recorded against the subject property since the date of the above-referenced title commitment/binder, I will notify the NRCS immediately and will not proceed with closing until further instructions are received.

Immediately following closing, I will issue a policy of title insurance on a standard ALTA owner's policy in the amount of the purchase price as of the time and date of the recording of the Warranty Easement Deed to (Grantee), with the United States also named as an additional insured. Said policy of title insurance will be free and clear of any and all encumbrances (exceptions) to the title except those that (Grantee), in consultation with NRCS, have decided are acceptable. I will deliver the following to (Grantee) immediately following closing:

- (1) A statement covering the agreed upon closing costs.
- (2) Original Policy of Title Insurance on the standard ALTA owner's policy form.
- (3) Original and one copy of executed settlement statements.
- (4) Completed IRS Form 1099.

Sincerely,

Signature of Closing Agent

Name of Closing Agent

Projected Closing Date: _____

Total Projected Closing Costs \$ _____

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(With itemization for nature of debt and amount)

Name, address, and account number of financial institution where electronic funds are to be mailed.

Name _____

Address _____

Account Number _____

I concur with the closing agent's qualifications.

Signature of Representative of the Cooperating Entity

Date

Name of Representative of the Cooperative Entity