



Natural Resources Conservation Service

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## SAMPLE CLOSING INSTRUCTIONS

Dear [Name of closing agent]:

Re: [Closing Agent's file number]

[Brief description of property]

[NRCS contract number]

This letter will constitute the closing instructions of the United States of America (USA) for a transaction whereby the USA will receive title by Warranty Easement Deed (the "Deed") from [Name of landowners] for certain real property located in [County and State] (the "subject property") described in a title commitment and binder from [Name of title company], dated \_\_\_\_\_, for a purchase price of \$\_\_\_\_\_.

By signing the document below, you are certifying that you 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.

[Closing agent name] is 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. [Closing agent name] is 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.

[Closing agent name] will provide evidence of liability insurance coverage in the amount of the easement purchase price as listed on the Warranty Easement Deed, which must be 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 [Closing agent name] 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 prior to the transfer of Federal funds into escrow.

[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:

1. United States of America  
Natural Resources Conservation Service  
[Address]



2. [Landowner's name, address, and phone number]

Enclosed are the following:

1. Unexecuted Warranty Easement Deed with exhibits and a copy for the landowner
2. Unexecuted copy of subordination agreement and limited lien waiver
3. Copy of survey of easement area and ingress and egress area
4. Preliminary title opinion from the Office of the General Counsel
5. ALTA Closing Protection Letter
6. Other documents needed by closing agent to close

The USA's funds for easement acquisition will be sent to the account specified by [Closing agent name] from the U.S. Treasury by electronic fund transfer (EFT) prior to closing payable to the landowners in the amount of \$\_\_\_\_\_. [Closing agent name] is authorized and instructed to close and record within 14 calendar days of receipt of the Federal funds, and will ensure that the following will occur:

1. No new encumbrances have been recorded against the subject property since the date of the above-referenced title commitment and binder.
2. [Closing agent name] has received the properly executed Warranty Easement Deed from the landowner.
3. [Closing agent name] is prepared to secure the policy of title insurance referred to below.
4. All items required to be removed, released, subordinated, or otherwise handled, as set forth in the enclosed preliminary title opinion from the Office of the General Counsel, have been completed and the applicable clearance documents recorded.
5. All taxes, homeowners assessments, etc., are paid to the date the Warranty Easement Deed is recorded.
6. [Closing agent name] has complied with any listed title commitment and binder requirements.

If any new encumbrances have been recorded against the subject property since the date of the above-referenced title commitment and binder, notify the USA immediately and do not proceed until further instructions are received.

Immediately following closing, please issue a policy of title insurance on American Land Title Association (ALTA) U.S. Policy Form 9-28-91 in the amount of the purchase price as of the time and date of the recording of the Warranty Easement Deed to USA. This policy of title insurance will be free and clear of any and all encumbrances (exceptions) to the title, except those shown as acceptable in the Office of the General Counsel's preliminary title opinion.

[Closing agent name] will deliver the following to USA immediately after closing:

1. The statement covering the agreed-upon closing costs
2. Original policy of title insurance on ALTA U.S. Policy Form 9-28-91.
3. Recorder's certified copy of the Warranty Easement Deed
4. Original and one copy of executed settlement statements
5. Recorder's certified copies of any clearance documents, including subordination agreements
6. Record of disbursement of funds to the landowner.

[Closing agent name] will deliver the following to the landowner upon closing:



1. Proceeds of the sale, less any expenses to place title in the condition specified above, such as expenses to remove liens, deeds of trust, etc., as set forth in the Office of the General Counsel's preliminary title opinion
2. Seller's closing statement, if applicable
3. A copy of the recorded Warranty Easement Deed
4. A copy of the recorded mortgage subordination and lien waiver agreement, if applicable

Additionally, [Closing agent name] will complete the SF-1099 Internal Revenue Service tax reporting form for the full easement consideration, as identified in the Warranty Easement Deed.

Please acknowledge receipt of these instructions, and indicate your agreement to act in accordance therewith by signing and returning a copy of the undersigned. Please provide a projected closing date, projected closing costs, and the name, address, and account number of the financial institution where electronic funds are to be submitted, if applicable. Please contact [Name] at [Phone number and email address] if additional information is needed. We would appreciate your prompt action to expedite the processing of this case.

Sincerely,

NRCS Contracting Officer

Enclosures

cc. Landowner  
Local NRCS office  
Local FSA office



Projected closing date: \_\_\_\_\_

Total projected closing costs: \$ \_\_\_\_\_  
(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 \_\_\_\_\_

\_\_\_\_\_  
Closing Agent's Signature

\_\_\_\_\_  
Date

