

Chapter 6 – SELLER’S ESCROW & LIENS

Chapter Outline:

Key Terms

Chapter Overview

Learning Objectives

- Obtaining the payoff information
- Parties to a deed of trust
- Beneficiary demand vs. beneficiary statement
- Out-of-state beneficiaries
- Due-on-sale Clause
- FHA loan beneficiaries
- Maintaining the file calendar
- Requiring statement fee in advance
- Understanding the demand when it arrives
- Private party liens
- Tax liens
- Other seller liens and seller expenses

Mechanic’s Lien

Judgment Lien

Income Taxes

Other Expenses

- The reconveyance
- Seller affidavit
- Contingencies
- Seller-caused escrow to fall out

Chapter Summary

Chapter 6 Quiz

Learning Objectives:

- Understand the relationship between escrow and a lien holder versus the principals;
- Give a definition for reconveyance;
- Outline the steps for escrow to take to pay off a seller’s lien;
- Differentiate between a demand and beneficiary statement; and
- Explain the lane guide and how it is used.

Lecture Outlines:

Key Terms

Chapter Overview

Learning Objectives

- Obtaining the payoff information
- Parties to a deed of trust
Figure 6.1: Lien Information Sheet
- Beneficiary demand vs. beneficiary statement
Figure 6.2: Request for Payoff Demand-Beneficiary Demand
- Out-of-state beneficiaries

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Figure 6.3: Beneficiary Statement

- Due-on-sale Clause
- FHA loan beneficiaries
- Maintaining the file calendar
- Requiring statement fee in advance
- Understanding the demand when it arrives

Figure 6.4: Beneficiary Payoff Demand Statement

- Private party liens

Figure 6.5: Instruction to pay tax liens & assessments

- Tax liens

Table 6.1: Seller Tax Lien Debit or Credit Chart

- Other seller liens and seller expenses

Mechanic’s Lien

Judgment Lien

Figure 6.6: Mechanic’s Lien

Income Taxes

Other Expenses

- The reconveyance

Figure 6.7: Request for Copy of Transcript of Tax Form

Figure 6.8: Seller instruction to pay income taxes

Figure 6.9: Seller Instructions to pay expenses

Figure 6.10: Reconveyance Deed

- Seller affidavit
- Contingencies
- Seller-caused escrow to fall out

Chapter Summary

Chapter 6 Quiz