519.112 Closing Agent Requirements

Closing Agent Requirements

The closing agent must—

- Have current knowledge of the requirements of State law in connection with closing real estate transactions and title clearance.

- Be an approved agent licensed to engage in title insurance business in the State.

- Utilize a title insurance company that is approved by the State insurance commissioner.

- Hold 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 evidence of liability insurance must be provided to NRCS and the cooperating entity prior to the transfer of Federal funds into escrow.

- Not close on an easement purchase for a spouse, children, partners, or business associates who have a financial interest in the real estate to be covered by the proposed easement.

- Be capable of certifying that 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).

- Be authorized and instructed to close within 14 calendar days of receipt of the Federal funds.

- Ensure that the following will occur:
    1. He or she has received the properly executed warranty easement deed from the landowner.
    2. He or she is 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 cooperating entity 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.
    5. Comply with any listed title commitment/binder requirements.

- Acknowledge that he or she knows that costs to clear title are the responsibility of the cooperating entity or the landowner.

- Immediately following closing, issue policies of title insurance on a standard ALTA owner's policy in the amount of the cooperating entity’s contribution to the purchase price (and an ALTA U.S. Policy (9/28/91) for parcels that are the products of cooperative agreements signed between 2006 and 2008) as of the time and date of the recording of the warranty easement deed to the cooperating entity, 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 the cooperating entity, in consultation with NRCS, have decided are acceptable.

- Certify that he or she will deliver the following to the cooperating entity 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.