

NRCS AGRICULTURAL LAND EASEMENTS TIMELINE

For Approved Applications

2017-2019

September 2017 – Deadline to sign and obligate Cooperative Agreement

Pre-Closing Documents: approx. October 2017-January 2019

- Boundary Survey
- Environmental Site Assessment and Baseline Documentation Report
- Easement Deed Draft (allow 2-3 months for NRCS review if changes are requested to ALE deed terms)
- Title Commitment Binder (submitted with easement deed)
 - Alta Title Policy
 - Exceptions and Encumbrances –photocopy needed for each referenced document
 - Chain of title of fee ownership
 - Draft mortgage subordination or discharge (if applicable)
- Aerial map with building envelope, aerial map for limited mining activities (if applicable)
- Appraisal (allow 1.5 months for NRCS review)
 - Effective date must be 12 months within date of closing or within 6 months when the cooperative agreement or amendment is signed.
 - Supplemental Appraisal Report format may be used to update effective date
- Agricultural Land Easement Plan and required component plans
- Closing Agent Requirements letter (30 days prior to closing)
- ALTA Closing Protection Letter or equivalent
- Internal Controls Review (allow 30 days)

Closing Documents: 1-2 months prior to closing

Entity submits the following documents:

- Request for Advance of Funds documents (if applicable)
 - Direct Deposit form (SF-1199A) for closing agent (30 days prior to closing)
 - Advance of Funds/Funds Disbursement Form (SF-270) (30 days prior to closing)
 - Draft settlement statement provided by closing agent (30 days prior to closing)
 - Evidence of liability insurance coverage in amount at least equal to purchase price of easement (30 days prior to closing)
- Confirmation of Matching Funds (CPA-230) (30 days prior to closing)

March 31, 2019 – Parcel Closing Deadline

Post-Closing: 1 month after closing

Entity submits copies of the following documents to NRCS:

- Recorded Conservation Easement Deed
- Final Title Policy
- Closing Documents or HUD statement
- Signed Mortgage Subordination or Discharge (if applicable)

Once all post-closing documents are submitted, NRCS can process:

- Funds Reimbursement Form (SF-270) if an advance of funds was not requested

In perpetuity - Monitoring Form (submitted annually after easement closes)

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Detailed Explanation of Required Documents

Boundary Survey: The eligible entity is responsible for obtaining a survey of the easement area. The survey should define the boundaries of the easement parcel. Any exclusion areas should be surveyed out of the easement. It is preferred that the building envelope (designated area for structures and improvements) is included in the survey but at a minimum, an aerial map of the area must be included as an exhibit to the conservation easement deed. The survey should be submitted electronically as a printable pdf, shapefile and accompanied by the written legal description of the easement area.

Environmental Site Assessment (ESA): The eligible entity is responsible for completing a phase I ESA for all easements enrolled in ALE. It typically consists of a review of historical land uses that could result in soil and/or groundwater contamination, regulatory enforcement and permitting records at subject property, an environmental lien search, review of current and historical aerial imagery, and a site investigation.

Conservation Easement Deed: The eligible entity is responsible for submitting to NRCS the conservation easement deed and all exhibits with the NRCS Minimum Terms for Agricultural Land Easements incorporated or attached to the entity deed. The deed should include the resource(s) that will be protected under the easement, such as agricultural lands, historic structures, open space, and/or wildlife habitat.

Appraisal: The eligible entity is responsible for submitting to NRCS a self-contained appraisal completed to either the Uniform Standards of Professional Appraisal Practice (USPAP) or the Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book). Appraisals must also conform to the NRCS appraisal standards and will undergo a technical review by an outside licensed appraisal reviewer. The effective date of the appraisal must be **within 12 months** of the closing date of the easement or **within 6 months of execution of the cooperative agreement or amendment funding the parcel**. If an update to the appraisal is necessary, the supplemental appraisal report format may be used. The federal contribution of the easement purchase price is dependent upon the value of this appraisal.

Preliminary Title Commitment Binder: The eligible entity is responsible for submitting to NRCS the ALTA Title commitment, copies of all the exceptions and encumbrances, the chain of title and a copy of the unexecuted mortgage subordination or discharge document (if there are any outstanding liens on property).

ALTA Title Policy: The entity is required to take out title insurance on the parcel. The title insurance must be on an ALTA (American Land Title Association) form. The United States of America is not listed on the ALTA Title Insurance Policy.

Exceptions and Encumbrances: Under Schedule B Section II of the ALTA Title Commitment, the encumbrances and exceptions are listed. Photocopies of all encumbrances and exceptions of record (those that are listed with book and page number or plan number) should be submitted with the ALTA Title Commitment. These photocopies should be legible and clearly show the book/page number or plan number from the registry. If a deed from an exception describes the location of a right of way or utility easement for example and refers the reader to a plan, please include a copy of the plan as well.

Chain of Title (of fee ownership): The eligible entity is responsible for submitting to NRCS as part of the Preliminary Title Commitment Binder.

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Draft Mortgage Subordination or Discharge (if applicable): The entity is responsible for submitting to NRCS as part of the Preliminary Title Commitment Binder. A copy of the unsigned, unexecuted draft mortgage subordination or mortgage discharge is required if there is an outstanding mortgage or lien on the property.

Baseline Documentation Report: The entity is responsible for submitting to NRCS the baseline documentation report which demonstrates the condition of the land at the time the easement was placed on the property. The baseline includes information about the natural characteristics, ecological features, and physical and man-made conditions of the Protected Property. This report should include at minimum a description of the parcel and current and past land use, a soils map, an aerial map, photos and accompanying map with photo locations. The Baseline is used as a reference for monitoring the parcel.

Advance of Funds (if applicable): The entity is responsible to cover 100% of the purchase price at closing. After closing, NRCS will reimburse the federal share to the entity. When the entity is not able to front 100% of the purchase price at closing, the entity can request the federal funds be advanced to the closing agent to be held in escrow until closing where it can be paid directly to the landowners. The entity must request an advance of funds.

SF-1199A, Direct Deposit Form (Closing Agent) (if applicable): Responsibility of the entity to submit to NRCS. To be filled out and signed by the entity's closing agent. This is required for an advance of funds.

SF-270 request for reimbursement OR advance of funds: Responsibility of the entity to submit to NRCS. This form is used to initiate a funds transfer in the national finance system. This form can be used to reimburse the federal share of the easement purchase price to an entity after the easement closes. This form can also be used to advance the federal funds to the closing agent to hold in escrow until the funds can be disbursed at closing. An advance of funds occurs when the entity is unable to pay 100% of the purchase price of the easement at closing (both the entity's share and the federal share) and formally requests the funds prior to closing.

Closing Agent Requirements: Entity is responsible for submitting documentation that closing agent meets requirements outlined in the ACEP manual. This document must be submitted prior to closing.

CPA-230, Confirmation of Matching Funds: Responsibility of the entity to submit to NRCS. This is signed by both the landowner and the entity and demonstrates the contribution of entity and federal funds in addition to landowner donation (if applicable). The form includes the easement appraised value and purchase price. This form is to be submitted prior to closing.

Recorded Conservation Easement Deed: Once the fully signed Conservation Easement Deed has been recorded at the county registry of deeds, the entity will submit a clear legible copy to NRCS. The copy should show the registry stamp. In the case of a reimbursement of federal dollars to the entity, all closing documents need to be submitted prior to NRCS reimbursing the funds. This is one of the closing documents.

Final Title Policy: Entity is responsible for submitting to NRCS after closing. Consists of a copy of the signed and executed ALTA Title Policy. In the case of a reimbursement of federal dollars to the entity, all closing documents need to be submitted prior to NRCS reimbursing the funds. This is one of the closing documents.

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Closing Statement or HUD statement: Entity is responsible for submitting to NRCS after closing. This is a document prepared by a closing agent describing a real estate transaction, including the escrow deposits for taxes, commissions, loan fees, points, hazard insurance, and mortgage insurance. In the case of a reimbursement of federal dollars to the entity, all closing documents need to be submitted prior to NRCS reimbursing the funds. This is one of the closing documents.

Signed Mortgage Subordination or Discharge (if applicable): Entity is responsible for submitting to NRCS after closing. A copy of the signed, executed draft mortgage subordination or mortgage discharge is required if there is an outstanding mortgage on the property. In the case of a reimbursement of federal dollars to the entity, all closing documents need to be submitted prior to NRCS reimbursing the funds. This is one of the closing documents.

Monitoring Report: Responsibility of the Easement Holder (Grantee) after the ALE closes. The ALE Conservation Easement Deed mandates that the protected property is monitored annually and a copy of the report submitted to NRCS. The annual monitoring report includes the current land use, total impervious surface, conditions of the easement boundary markers, as well issues or concerns of easement deed violations by the Grantor or abutting neighbors on the protected property.