

# NRCS AGRICULTURAL LAND EASEMENTS TIMELINE for Approved Applications 2016-2018

January 15, 2016 – Application Cutoff Date  
June 22, 2016 – Deadline for NRCS to issue offers of enrollment  
September 2016 - Cooperative Agreement signed and funds obligated

## Pre-Closing Required Documents

approx. September 2016-January 2018

- 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 (submitted with easement deed)
- 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 are signed.
  - Supplemental Appraisal Report format may be used to update effective date
- Agricultural Land Easement Plan and required component plans
- Internal Controls Review (allow 30 days)

## Closing Required Documents

1-2 months prior to closing

Entity submits the following documents:

- Request for Advance of Funds documents (if applicable)
  - Waiver request letter for advance (from entity to NRCS State Conservationist, 60 days prior to closing)
  - 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)
  - 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)
- Closing Agent Requirements letter (30 days prior to closing)

NRCS performs the following task:

- Closing Landowner Interview (30 days prior to closing)

Parcel Closing Deadline: **March 31, 2018**

## 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

Monitoring Form (submitted annually after easement closes)

In perpetuity

# NRCS AGRICULTURAL LAND EASEMENTS TIMELINE

## for Approved Applications 2016-2018

### **Detailed Explanation of Required Documents**

**Boundary Survey:** Entity is responsible for submitting the survey to NRCS. 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, it must be written as a verbal description in 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. The parcel acreage and boundary configuration must agree with the final appraisal and the easement deed.

**Environmental Site Assessment (ESA):** 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. The Phase I identifies if a Phase II is necessary.

**Conservation Easement Deed:** Entity is responsible for submitting to NRCS the conservation easement deed with the NRCS Minimum Terms for Agricultural Land Easements incorporated in 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:** 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:** Entity is responsible for submitting to NRCS the ALTA Title Policy, copies of all the exceptions and encumbrances, the chain of title and a copy of the unexecuted mortgage subordination or discharge document (if 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 Policy, 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 Insurance Policy. 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): Entity is responsible for submitting to NRCS as part of the Preliminary Title Commitment Binder.

**Draft Mortgage Subordination or Discharge** (if applicable): Entity is responsible for submitting to NRCS as part of the Preliminary Title Commitment Binder. A copy of the unsigned, unexecuted draft

# NRCS AGRICULTURAL LAND EASEMENTS TIMELINE

## for Approved Applications

### 2016-2018

mortgage subordination or mortgage discharge is required if there is an outstanding mortgage or lien on the property.

**Baseline:** 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 shown. The Baseline is used as a reference for the monitoring of the parcel.

**Advance of Funds** (if applicable): 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 and submit several documents, some of which come from the closing agent.

**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 the 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 close.

**Closing Agent Requirements:** Entity is responsible for submitting documentation that closing agent meets requirements outlined in 519.112 of the FRPP manual. This document must be submitted before closing.

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

**Closing Landowner Interview:** Responsibility of NRCS to conduct and is required prior to closing. It is typically scheduled a couple weeks to a month prior to the scheduled closing date. This closing landowner interview can be a teleconference call between the landowner and NRCS. The entity is encouraged to attend but is not required. At this meeting, the contribution of funds from all parties is confirmed as well as any particulars concerning the closing. It is a great opportunity to address pre-closing questions from both the landowner and the entity.

**Recorded Conservation Easement Deed:** This is the responsibility of the entity to submit after closing. 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 Commitment Binder:** 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

## **NRCS AGRICULTURAL LAND EASEMENTS TIMELINE**

### **for Approved Applications**

### **2016-2018**

the entity, all Closing Documents need to be submitted prior to NRCS reimbursing the funds. This is one of the Closing Documents.

**Closing Documents 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. This should be submitted with the copy of the Final Title Commitment Binder. 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 easement closes. The ALE Conservation Easement Deed mandates that the protected property is to be monitored annually and a copy of the report submitted to NRCS. The annual monitoring report includes, but is not limited to, 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.