

\$ 3RD PARTY DEPOSITS

Keeping You Informed

WHAT IS A 3RD PARTY DEPOSIT?

Funds that are received by the Title Company via check or wire, from anyone that is not a party to the transaction for Earnest Money and/or Down Payment.

WHEN 3RD PARTY FUNDS ARE RECEIVED

- The Title Company can only deposit funds received by a 3rd Party for Earnest Money or a Down Payment once all necessary parties (3rd Party Depositor & Benefiting Party/Parties) have signed 3rd Party Deposit Escrow Instructions stating the depositor is remitting the funds unconditionally.
- The lender may also require a "Gift Letter" be signed, in addition to the Title Company's 3rd Party Deposit Escrow Instructions.

BE ON GUARD

We've seen an increase in fraud recently targeting Earnest Money Deposits. Here are some **red flags** you, as the agent, should look for that may help the seller avoid needlessly taking their home off the market while dealing with a fraudulent buyer(s).

- Buyer(s) remitting funds from a party that does not appear to be related to them.
- Buyer(s) that are never available for an actual conversation.
- Buyer(s) that remit funds via cashier's check then immediately cancel the transaction and request a refund before funds have a chance to clear.
- Buyer(s) that remit far more funds than are needed for Earnest Money or Down Payment, via check, then request "the overage" be sent back to them via wire.



WE'RE HERE TO KEEP YOU INFORMED!

Contact your Sales Rep for further questions and/or information.