Deposits

The new Residential Purchase Agreement (RPA) contains some new provisions regarding deposits, increased deposits, and down payments that you need to be aware of:

» Paragraph 3A requires you to check a box for the method of the deposit being delivered to escrow:

- Buyer Direct Deposit, or
- Buyer Deposit with Agent, or
- The default is by electronic funds transfer

» You will also be required to state the type of deposit:
- Cashier's check or
- Personal check or
- Electronic funds transfer

» It is important to remember that ***escrow companies cannot accept ACH transfers!*** So if the deposit is coming to us via *"electronic funds transfer,"* it will need to be sent via a wire transfer.

» Paragraph 20D requires the escrow holder to notify the seller and the seller's broker of buyer's deposit of the earnest money and increased deposit, if any, pursuant to the time frames specified in Paragraph 3.

» Escrow holder is also required to notify the seller and the seller's broker if the earnest money deposit or down payment are not deposited within the time frames specified in Paragraph 3 of the RPA.

» There are also specific additions to the new RPA in Paragraphs 3 and 20 that incorporate language with regard to possible Liquidated Damages provisions. We suggest you review these with your broker and/or legal counsel to determine the best course of action when completing the RPA.

Your escrow team is your partner in communication. You can count on us to keep you fully informed of the status of any deposit of funds required in escrow.

Part of the TRG Family of Companies