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## ESCROW FUNDING SERVICE AGREEMENT

Escrow Funding, Inc. will serve as a neutral escrow agent to the Seller and Purchaser named in the corresponding contract, according to the following terms:

1. For the monthly service charge ESCROW FUNDING, INC. (*hereinafter referred to as "EFI"*) will collect and disburse payments as directed in the contract and according to the below terms.
2. In addition to this Service Agreement the following items are required: Credit Sale/Promissory Note/Mortgage, closing statement (HUD), W9 forms, last property tax bill, current insurance declarations, and pre-paid escrow funds.
3. Payments are to be remitted to "**ESCROW FUNDING**" at **3445 N. CAUSEWAY BLVD, SUITE 707, METAIRIE, LA 70002**. ACH draft/direct deposit may be set-up. Cash and third-party checks are not accepted.
4. Payments are due as specified in the contract. The grace period expires at the close of business on the final day of the grace period (*5 days if not indicated in contract*).
5. EFI will notify the parties if payments are not received within the grace period. Late payments require a late fee of 10%\* of the installment amount due [**5% to EFI, required; 5% to Mortgagee, or as per contract**]. *For full and final balloon payments the late fee will be calculated on the monthly installment amount – not the payoff amount.* EFI fees are not deferred. If not included short payments to the mortgagees or reserves may result.
6. Non-certified checks will be issued against 4-5 business days after receipt and deposit.
7. Payments are applied in the following order: (1) EFI Fees, (2) Escrow deposits, (3) Mortgagee principal & interest, (4) Other charges.
8. Partial payments may be refused. If accepted, the funds will be held in suspense until the balance is received. Partial payments will not reduce the late fee assessment.
9. NSF or RETURNED ITEMS ARE NOT RE-DEPOSITED or RE-DRAFTED and must be replaced with certified funds plus applicable return fees.
10. EFI is not responsible for disbursements greater than the amounts collected from the parties.
11. The required monthly escrow amount is subject to change. Escrows are analyzed annually, or as needed. Mortgagee is responsible for the adjusted escrows - partial payments are not accepted.
12. If the MORTGAGOR becomes 60 days past-due or if the account is closed before being paid-in-full, the MORTGAGEE shall be responsible for payment of outstanding EFI fees and disbursements.
13. If the contract or payment terms are changed by the parties, amendment fees will be required before the amendment is implemented. Costs to be determined by details and time involved.
14. EFI is not a collection agency or property manager. The service charge covers processing of monthly payments, notification of late payments & payment changes, annual interest reporting, and maintenance of any EFI escrow account. **Additional charges will be assessed for extended communications with the parties, mortgage companies, insurance agents, real estate agents, banks, lenders, attorneys, etc., or for any insurance claim assistance or disbursements.**
15. Mortgage interest earned/paid will be reported to the IRS under one primary SSN/TIN provided completed Forms W9 are returned to our office. If a Mortgagee fails to provide the SSN/TIN, back-up withholding will be implemented, per IRS requirements. Applicable fees will be incurred.
16. EFI reserves the right to withdraw as escrow agent upon thirty (30) days' written notice to the parties if outstanding fees/costs remain unpaid for a period of ninety (90) days, or if EFI determines that we are unable to discharge the duties accepted herein due to lack of cooperation of the parties.



**INSURANCE PREMIUMS MUST BE PAID IN FULL FOR THE FIRST YEAR TO AVOID AN ESCROW SHORTAGE.** INSURANCE POLICIES SHOULD INCLUDE THE INTERESTS OF MORTGAGEES & MORTGAGOR.

**FOR ACCOUNTS ESCROWED BY EFI ESCROW FUNDING must be indicated on the policy as payor.** Renewal invoices must be provided to our office in a timely manner for payment from the escrow account. EFI IS NOT RESPONSIBLE FOR OBTAINING INSURANCE INVOICES IF WE ARE NOT LISTED AS PAYOR.

THE PARTIES AGREE TO REIMBURSE EFI FOR ANY TAX/INSURANCE DISBURSEMENTS THAT EXCEED THE BALANCE IN THE ESCROW ACCOUNT. **EFI WILL DISBURSE ANNUAL PREMIUM PAYMENTS ONLY.** ADDITIONAL FEES WILL BE ASSESSED IF MONTHLY OR QUARTERLY INSTALLMENTS ARE NEEDED.

**ESCROW FUNDING DOES NOT AMEND COVERAGE OR CANCEL INSURANCE POLICIES, NOR DO WE HANDLE INSURANCE MATTERS OTHER THAN PAYMENT DISBURSEMENT. OTHER INSURANCE ISSUES MUST BE ADDRESSED BY MORTGAGEE, MORTGAGOR, AND INSURANCE AGENTS.** IF INSURANCE IS NOT ESCROWED BY EFI, OUR SOLE RESPONSIBILITY IS TO FORWARD CORRESPONDENCE TO THE PARTIES.

**FOR NON-ESCROWED ACCOUNTS:** Mortgagor is responsible for obtaining and paying all bills including taxes, insurance, homeowners/condominium association dues, termite renewal, etc. Payments must be remitted directly to the billing agency in a timely manner. Evidence of such payments will be requested only at Mortgagee’s request.

ESCROW FUNDING FEES <i>subject to change</i>		Assignment	\$400.00
New Contract	\$450.00	Amendment	\$250.00 +
Monthly Service Fee	\$45.00 +	Payoff Statement	\$50.00 +
- Additional Parcels	+\$20.00/month	Reinstatement Fee	\$100.00 +
Late Fee	5% of total payment	IRS Corrections	\$25.00 each
NSF/Returned Item	\$60.00	IRS Backup Withholding	\$50.00/month

*The parties agree to submit all disputes arising out of the contract serviced by Escrow Funding to binding arbitration. The arbitration shall be administered by Mediation Arbitration Professional Systems, Inc. (MAPS) in accordance with MAPS Rules of Arbitration by a Single Arbitrator. Unless otherwise indicated the Federal Arbitration Act Arbitration shall apply (9 U.S.C. 1-16). The arbitrator’s decision shall be final and binding and judgment may be entered thereon. The arbitration shall be conducted by a MAPS panel arbitrator chosen by the parties or in accordance with MAPS rules and held in Orleans or Jefferson Parish. In the event a party fails to proceed with arbitration or fails to pay the fees timely that party may be defaulted by the other party with the agreement of the arbitrator. If a default award is entered the party against whom the default award is entered, or if a party unsuccessfully challenges the arbitrator’s award, or fails to comply with the arbitrator’s award, the other party is entitled to costs of suit including a reasonable attorney’s fee for having to compel arbitration or defend or enforce the award.*

THE UNDERSIGNED PARTIES UNDERSTAND AND AGREE TO THE ABOVE TERMS.

Mortgagee:

Mortgagor:

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