

Position 5
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

SUBJECT: Transmittal of Title Information

RHS ACCOUNT NUMBER: _____

TO: _____
Name of Closing Agent/Attorney

DATE: _____

You have been approved by Rural Housing Service (RHS) to perform the title work and loan closing of this transaction in connection with the loan application identified below. The following documents are enclosed for preparation of a title opinion or insurance binder and other handling in accordance with 7 C.F.R. part 1927, subpart B.

1. Name and address of applicants					Telephone
2. Purchase Price \$	Type of Loan:	Interest Rate:	Repayment Period:	Amount of Loan:	Purpose of Loan:
Market Value \$		%	yrs	\$	
		%	yrs	\$	
		%	yrs	\$	

3. Form RD 1927-9, "Preliminary Title Opinion" is enclosed for your use (*if applicable*).

4. Form RD 3550-15, "Tax Information," is enclosed for your use in providing tax information to the RHS Office for calculating the borrower(s) escrow at loan closing. (Return this **completed form** to RHS with the Title Insurance Binder/ Preliminary Title Opinion, as applicable)

5. Other Documents attached:	Original	Copy	Original	Copy
Deeds:			Legal Description:	
Option:			Survey:	
Tax Bill:			Death Certificate:	
Divorce Decree:			Other:	

6. Requirements of Preliminary Title Opinion or Title Insurance Binder:

A. **Alterations and omissions.** If required information is altered or omitted, the Loan Approval Official is not authorized to accept the Opinion or Binder but must return it for completion.

B. Property description. The Closing Agent/Attorney or designated representative must review the legal description of the land to ensure that the legal description and recital of all encumbrances, reservations, exceptions, and defects are complete and accurate. If a water right is to be included in the security for the loan, the Closing Agent/Attorney must also attach a full legal description of the water right followed by a recital of all reservations, encumbrances, defects, and exceptions. Land or water rights may be described by reference to a legally adequate description contained in a recorded instrument. A copy of this instrument must be provided to RHS for review before closing. If the description of the property is not legally adequate, the deficiency must be listed as a title defect and the necessary curative action included under paragraph IV of Form RD 1927-9.

C. "Encumbrances, reservations, exceptions and defects" means all matters which would prevent the United States from obtaining the required lien on the property. These include, but are not limited to, liens, taxes and assessments, leases, easements, covenants, conditions, restrictions, reservations, rights relating to mineral, oil, gas, geothermal, timber, and water rights, prior sales of part of the property, judgements, probate proceedings, bankruptcy proceedings, or pending court actions in federal and state courts, and other matters of record which affect title to the real property or the ability of the seller to convey title or the buyer to accept title, and legally inadequate property descriptions.

D. Scope of search. The Closing Agent/Attorney or designated representative will determine: 1. All owners of record of the real property; 2. Whether there are any outstanding encumbrances, reservations, exceptions, and defects on the real property, as outlined in C. above, 3. If a water right is to be included in the security for the loan (the Closing Agent/Attorney will attach a full legal description of the water right) and; 4. If there are any liens or recorded claims which would prevent the Agency from obtaining an enforceable mortgage lien of the required priority on the security property. Title examination will include searches of the records, or certificates from the clerks of the appropriate State courts, federal bankruptcy courts and United States district courts, **for the period determined necessary by local custom**, to issue a title opinion or title insurance policy.

Complete legal descriptions of encumbrances, reservations, exceptions, and defects must be provided to RHS upon request.

7. Leveraged/Participation Loan:

Lender Name _____	Loan Amount \$ _____
Lender Name _____	Loan Amount \$ _____
Lender Name _____	Loan Amount \$ _____
Lender Name _____	Loan Amount \$ _____
Lender Name _____	Loan Amount \$ _____
Lender Name _____	Loan Amount \$ _____

8. Other instructions:

Loan Approval Official
