

Form RD 1927-4
(Rev. 06-06)

Position 5
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

SUBJECT: Transmittal of Title Information RHS ACCOUNT NUMBER: _____
TO: **(1)** _____ DATE: _____
Name of Closing Agent/Attorney

Used to transmit information and documents to closing Agents/Attorneys for clearance and loan closing services.

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 (2) | | | | | Telephone | |
| (3) | 2. Purchase Price | Type of Loan: | Interest Rate: | Repayment Period: | Amount of Loan: | Purpose of Loan: |
| | \$ | | % | yrs | \$ | |
| | Market Value | | % | yrs | \$ | |
| \$ | | % | yrs | \$ | | |

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

(4) 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 | Legal Description: | Original | Copy |
|-----------------|----------|------|--------------------|----------|------|
| Deeds: | | | | | |
| 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.

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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 paragraph 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 \$ _____. |
| (6) | Lender Name _____ | Loan Amount \$ _____. |
| | Partner Name _____ | Grant Amount \$ _____. |
| | Partner Name _____ | Grant Amount \$ _____. |
| | Partner Name _____ | Grant Amount \$ _____. |

8. Other instructions:

(7)

(8) _____ (6) _____
Loan Approval Official

| | |
|----------------------------------|---|
| <u>PROCEDURE FOR PREPARATION</u> | : RD Instruction 1927-B. |
| <u>PREPARED BY</u> | : System generated by Loan Approval Official. |
| <u>NUMBER OF COPIES</u> | : Original and one copy. |
| <u>SIGNATURES REQUIRED</u> | : Original by Loan Approval official. |
| <u>DISTRIBUTION COPIES</u> | : Original to Closing Agent/Attorney. Copy retained in field office. |

INSTRUCTIONS FOR PREPARATION

System generated form

- (1) Indicate complete name of Closing Agent/Attorney selected by the applicant to handle the loan closing.
- (2) Indicate the legal name(s) and current address of the applicant(s) and telephone number.
- (3) Show all loan information for loans the Closing Agent/Attorney will be closing.
- (4) Send Blank Form to Closing Agent/Attorney.
- (5) Show the number and type of attached copies of each, as applicable.
- (6) Complete Leveraged/Participation Loan Information as applicable.
- (7) Other instructions. Use this space to notify the Closing Agent/Attorney of information which may effect the title. This may include either applicant not being of legal age, liens that the Agency is aware of, information obtained through a credit report, such as tax liens, judgments or bankruptcy, etc.
- (8) To be signed by the loan approval official.