

## Instructions to Brokerages – Make Sure Earnest Money is Deposited in a CARHOF Account

Paragraph 4(a) of the residential form Contract to Buy and Sell Real Estate:

4(a). **Earnest Money.** The Earnest Money set forth in this section, in the form of \_\_\_\_\_, is part payment of the Purchase Price and shall be payable to and held by \_\_\_\_\_ (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit shall be tendered with this contract unless the parties mutually agree and set forth a different deadline in writing for its payment. The parties authorize delivery of the Earnest Money deposit to the closing company, if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on earnest money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest Money Holder in this transaction shall be transferred to such fund.

If depositing earnest money with any of these title companies that have agreed to participate in CARHOF:

|                               |                                    |
|-------------------------------|------------------------------------|
| Alamosa Title & Closing       | Land Title                         |
| Alpine Title, San Luis Valley | Lawyers Title                      |
| Alpine Title, Telluride       | Northwest Title                    |
| Arrowhead Title               | S & S Closing and Escrow           |
| Cambridge Title               | Security Title                     |
| Chicago Title                 | Stewart Title, Aspen               |
| Commonwealth Land Title       | Stewart Title, Summit              |
| First American Heritage Title | Telluride Mountain Title           |
| Guardian Title                | Ten Mile Title                     |
| Gunnison County Abstract      | The Title Company of Crested Butte |
| High Country Title & Escrow   | Transnation Title                  |
| Highland Title                | United Title                       |

**Then enter title company name as Earnest Money Holder**

OR

If the title company is not listed above, enter **brokerage name** as Earnest Money Holder. Then, complete **ONE** of the following steps:

1) Include language in the additional provision paragraph (314) in the Closing Instructions and Earnest Money Receipt (CREC Form CL8-5-04) language which reads similar to the following:

*In accord with the agreement and direction of Seller and Buyer, the Earnest Money received by the Closing Company pursuant to this Receipt shall be deposited in a trust account or escrow account at the Closing Company and any interest earned on such money shall be transferred to the Colorado Association of REALTORS Housing Opportunity Foundation.*

2) Add an additional provision in paragraph 24 of the CREC approved real estate contract to read as follows:

*Given the party's agreement in Section 4(a) and since the Earnest Money Holder has agreed to have interest on its trust account transferred to CARHOF, a fund established for the purpose of providing affordable housing to Colorado residents, any Closing Company shall deposit the Earnest Money in a trust or escrow account from which interest is transferred to CARHOF.*

**By including these provisions in either the closing instructions or the additional provisions in the contract, the title company MUST transfer the interest to CARHOF even if it has not previously agreed to do so.**