

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 to an Alternative Earnest Money Deadline (2c) 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 brokerage has a CARHOF account, enter real estate office name as Earnest Money Holder.

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

Alamosa Title & Closing	Northwest Title
Alpine Title, San Luis Valley	Pitkin County
Alpine Title, Telluride	S & S Closing and Escrow
Arrowhead Title	Security Title
Cambridge Title	Stewart Title, Aspen
First American Heritage Title	Stewart Title, Pueblo
Guardian Title	Stewart Title, Gunnison
Gunnison County Abstract	Stewart Title, Summit
High Country Title & Escrow	Stewart Title, Winter Park
Highland Title	Telluride Mountain Title
LandAmerica, Summit	The Title Company of the Rockies
Land Title	Trinity

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 CL8-10-06) 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 25 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.

(The list of participating title companies is updated regularly on www.carhof.org.)