

Seller Disbursement Procedures for Closings with Partners Land Title Agency (PLTA)

General Rule: For all PLTA transactions, the proceeds check should be made payable to the seller as shown on the title commitment. PLTA requires an original voided check that shows the name(s) on the account and must be held the same way that the seller currently holds title. If the seller does not have checks for the account PLTA will review a bank statement instead.

Multiple Sellers: For a transaction that has multiple sellers, the proceeds check should be made payable to all sellers. In some instances, with a valid reason, PLTA, upon written direction from all sellers, may issue a separate check to each seller. Be sure to plan for this well in advance of closing, since obtaining original signatures from the sellers at the closing table could be difficult or time-consuming as this document must be notarized. As a general rule, proceeds will be split as title is held.

Living Trust/Revocable Trust, etc. as Seller:

[Example: Jane Miller, as Trustee of the Jane Miller Living Trust]

[Example: Jane Doe, as trustee of the John Miller Living Trust]

For a trustee of a trust, the seller should already have a bank account opened in the name of the trust in order to be able to deposit the proceeds check into that account. PLTA requires the proceeds check to be made payable to the trustee of the trust. PLTA does not pay individuals when the seller is a trust for two reasons: (a) a trustee has a non-delegable fiduciary duty to the beneficiaries of the living trust; and (b) PLTA wants to make sure that the proceeds are properly distributed to the trust for the benefit of all beneficiaries in that trust.

Land Trusts as Sellers: Upon written direction of the beneficiary, the proceeds check may be made payable to the payee or payees designated by the land trustee.

Corporations or LLCs as Sellers: Proceeds check should be made payable to the corporation or the LLC.

Partnership as Seller: Proceeds check should be made payable to the name of the partnership.

Husband and Wife Sellers During or Following Marriage Dissolution: PLTA will first disburse the proceeds according to the final decree of divorce. If instructions are not specifically given in the final decree of divorce, PLTA will split the proceeds according to how the sellers hold title.

Paying Bills from Proceeds: PLTA does not split proceeds checks in order to pay various bills of the sellers. Occasionally, the sellers may be required by a post inspection agreement to pay certain bills/invoices for work on the property. To facilitate this, PLTA requires written invoices or quotes from an agreed upon contractor and authorization from the lender to add these payments to the

closing statement. ***At no time will PLTA disburse any funds or cut any checks for items not disclosed on the closing statement.***

Proceeds Check Used for Buyer's Incoming Funds on a Subsequent

Transaction: Upon written direction from a seller or sellers that are attending a subsequent closing wherein they are then the buyers, PLTA is willing to issue a proceeds check made payable to the title company in the second transaction, since the Ohio Good Funds law allows incoming funds to be in the form of a title company check. However, we understand that a more secure and common way of sending the funds would be in the form of a wire. If this is requested, PLTA requires that the receiving title company send us a copy of their wire instructions through secure or encrypted email only. Wire instructions will not be accepted through an unsecure email.

If you have any questions about these procedures, please contact a member of Management at 937-424-5457.