

# IMPORTANT INFORMATION

## EQUITY LINES OF CREDIT

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The following paragraph has been added to our escrow instructions:

**EQUITY LINE OF CREDIT:** In the event there is a Home Equity Line of Credit being paid off through this escrow, in addition to the payoff amount, the title company may require a hold up to the remaining unused equity line plus \$5,000.00 until the title company has been provided with a freeze confirmation from the lender. Contact your lender and request that they forward information to the title company indicating that the Line of Credit has been frozen and closed and that the borrower can no longer obtain funds through the equity line.

- » Lenders must acknowledge the freeze in writing prior to title releasing the hold.
- » If the above items are not complied with, title may withhold as outlined within the instructions.

### *Why have we added this to our escrow instructions?*

- » Equity Lines of Credit lenders are not always providing title companies with sufficient information when these credit lines are paid.

### *Does the Borrower need to sign anything?*

- » Every Seller/Borrower must sign a Freeze Letter. Once a Freeze Letter has been provided by the lender, the credit line will no longer be available for use and the lender will begin to prepare a final demand for payment.

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