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## CONTRACT COLLECTION AGREEMENT

Olympic Peninsula Title (OPT) is requested to establish an account for the purpose of receiving, accounting for and disbursing funds due in accordance with the terms of the accompanying documents. This is a legally binding contract. OPT advises all parties to read the entire agreement carefully and to seek independent legal counsel before signing the agreement.

<b>PAYOR NAME</b>		<b>PAYOR NAME</b>	
Mailing Address		Mailing Address	
Social Security # or Tax ID #		Social Security # or Tax ID #	
Phone/Cell		Phone/Cell	
Email		Email	
<b>LENDER NAME</b>		<b>LENDER NAME</b>	
Mailing Address		Mailing Address	
Social Security # or Tax ID #		Social Security # or Tax ID #	
Phone/Cell		Phone/Cell	
Email		Email	

Address of Security: \_\_\_\_\_

We place in escrow with OPT the following original documents subject to the instructions hereinafter set forth, to which the undersigned on behalf of themselves, their heirs, successors and representatives agree:

### Documents provided: (signed originals required):

- ☐ Real Estate Contract
- ☐ Warranty Fulfillment Deed
- ☐ Promissory Note
- ☐ Deed of Trust (Recorded)
- ☐ Request for Full Reconveyance
- ☐ Mortgage (Recorded)
- ☐ Satisfaction of Mortgage
- ☐ Mobile Home Documents: (list) \_\_\_\_\_
- ☐ Other: \_\_\_\_\_

PAYMENT TERMS:

Unpaid Principal Balance of \$ \_\_\_\_\_ payable in \_\_\_\_\_ installments of \$ \_\_\_\_\_ or more including interest  
at \_\_\_\_\_ % per annum from \_\_\_\_\_, 20 \_\_\_\_\_ with the first payment due on \_\_\_\_\_, 20 \_\_\_\_\_ subject to a  
late charge of \$ \_\_\_\_\_ or \_\_\_\_\_ % of principal and interest payment if not received on or before \_\_\_\_\_ days past due.

**Reserves: If we are to pay reserves, please attach a property tax statement and/or insurance binder or other information.**

Reserve payments will be collected from the Payor in addition to the required loan payment.

Monthly Tax Reserves: \_\_\_\_\_ Monthly Insurance Reserves: \_\_\_\_\_ Total Monthly Payment: \$ \_\_\_\_\_

**PLEASE NOTE** any future changes to the initial contract terms as outlined in the Security documents:

COLLECTION TERMS AND CONDITIONS

1. ADMINISTRATION OF ACCOUNT

Upon Notification to all parties of Olympic Peninsula Title’s acceptance of this Agreement, Payor shall pay all sums due Lender in the manner set forth herein to Olympic Peninsula Title as escrow holder at PO Box 2949, Port Angeles, WA 98362 or such address as indicated by OPT in the future.

2. FEES

As escrow agent, OPT will be paid a one time Establishment fee together with a Monthly PER Payment Fee. **Payments in addition to the regular monthly payment; split payments or disbursements, will be charged a fee equivalent to the Monthly PER Payment Fee.** We may charge additional fees as a result of services rendered based on our rate schedule, (available upon request).

Fees will be collected as directed below (if nothing is marked the fee will default to 50/50 between Payor & Lender):

MONTHLY PER PAYMENT FEE: (without Reserves) \$10.00  
MONTHLY PER PAYMENT FEE: (with Reserves) \$14.00

STANDARD MONTHLY PAYMENT FEE INCLUDES

CHECK ONE BELOW:

- ☐ Bill 50/50 (default if nothing checked)
- ☐ Charge Payor (included in monthly payment)
- ☐ Charge Lender (deducted from monthly disbursement)

- First payment by cash, check or electronic (ACH)
- First disbursement check or electronic (ACH)
- Email/mail payment receipts/notices
- Annual IRS Tax reporting (1098/1099)
- Payment coupons
- Tax or Insurance payments (Reserve accounts)

3. ALLOCATION OF PAYMENTS:

OPT will only accept and process Full payments tendered by Payor and does not accept or process Partial Payments. Unless otherwise instructed in writing by Payor and Lender, each payment shall be credited first to any late charge due, second to interest, and the remainder to principal; amounts tendered in excess of the regular monthly payment will be applied to the principal balance.

Any ACH or Personal Checks returned to OPT unpaid will be charged back to the Payor’s escrow account, as well as the Lender’s disbursement account; Payor and Lender will be notified of such return and Payor will be responsible for repayment of said NSF funds within 24 hours of notification. Repayment of NSF funds shall be in the form of a Cashier’s Check payable to Olympic Peninsula Title and shall include an NSF Fee. If funds are not repaid by Payor within 24 hours of notification, the Lender will be contacted to take further action with the Payor.

4. DISBURSEMENT INSTRUCTIONS

Funds will be disbursed to Lender by check to the address shown on page one herein or by Direct Deposit if otherwise indicated by the Lender. (DIRECT DEPOSIT DISBURSEMENT INSTRUCTIONS PROVIDED ON SEPARATE FORM).

Funds are disbursed the day they are received, for direct deposit it may take two business days for your funds to reach your bank account to allow for weekends and holidays. Disbursement of funds in excess of \$5,000.00, remitted by Payor in any form other than a Cashier’s Check, (drawn on a Washington State Bank), may not be disbursed until 5 business after received by OPT. We cannot direct deposit funds to banks outside the United States.

## **5. ACKNOWLEDGEMENT TO BE SIGNED BY LENDER(S)**

Interest earned on Contract Collections will be reported to the Internal Revenue Service under the Social Security or Tax Identification number(s) provided on page one of this agreement. For multiple Lenders, (not husband and wife) the tax reporting will default to a 50/50 split unless OPT is otherwise instructed in writing by all Lenders to this Contract. A 1099-Interest form will be mailed to the Lender(s) each year in January.

## **6. INTEREST COMPUTATION**

Unless otherwise specified in the payment terms provided to OPT, i.e. (Promissory Note, Real Estate Contract or other specific written instructions), interest will be calculated using a 30 day month/360 day year factor with the possible exception of the first and last payment. OPT will not be responsible for calculating interest at a default rate unless specific written instructions from the Lender or assigns are first received.

## **7. ASSIGNMENTS**

Either party may assign its rights in a form satisfactory under Washington State Law, either party may add additional documents to the escrow at such time as OPT's assignment fees have been paid. UPON ASSIGNMENT, ALL TERMS AND CONDITIONS OF THIS ESCROW AGREEMENT WILL THEN BE BINDING ON THE ASSIGNEE. Upon death, divorce or other transfer of interest of one of the parties, evidence satisfactory to OPT must be provided establishing the authority of the legal representative, heirs, successors or transferees of that party. In addition, OPT requires a Social Security number of the assignee and disbursement instructions (if applicable).

## **8. EXAMINATION OF DOCUMENTS**

OPT will allow examination of the contents of this escrow by either party under supervision of an OPT employee during regular business hours. OPT requires written authorization from either party before allowing examination of the contents of this escrow by anyone other than the parties hereto.

## **9. DISCLOSURE TO PARTIES**

In order that OPT be able to administer this escrow agreement in an efficient and orderly manner, Lender and Payor agree that OPT, as escrow agent, may disclose to either party any information gained by OPT and relating to the escrow agreement.

## **10. DEFAULT**

If any payments under this agreement are in default for six (6) months, and the Lender has not demanded delivery of all escrowed documents pursuant to paragraph 11 below, OPT may treat this agreement as abandoned and may at its option return all items and documents to Lender or Lender's agent upon 30 days written notice of OPT's intent to Payor at their last known address. After said notice, the 30 days having expired and delivery of documents to Seller's last known address by certified mail, OPT shall have no further liability or obligation to either party.

## **11. CLOSING OF ESCROW**

OPT in its capacity as escrow holder will hold all documents contained herein during the full term of indebtedness so long as all terms and conditions set forth are adhered to. The delivery of documents to OPT is intended by the parties to be irrevocable absent the express written agreement of the Lender and Payor or unless otherwise provided in this agreement. Upon receipt of all funds retiring the balance due Lender in full, OPT is authorized to deliver the documents listed herein to Payor or Payor's designated Agent. OPT will, upon receipt of the required fees from the Payor, send the release documents to appropriate party for recordation. OPT will not be responsible to clear any underlying encumbrances and/or guarantee clear title. Should it be requested that this agreement be cancelled before payoff, OPT requires written consent from all parties together with instructions regarding delivery of documents held in this escrow.

## **12. DISPUTES**

In the event OPT receives or becomes aware of conflicting demands or claims with respect to this escrow agreement or any money or property deposited herein, OPT, as escrow agent, shall have the right to discontinue any or all further acts until such conflicts have been resolved to the satisfaction of OPT.

Lender and Payor agree that OPT has the absolute right at its election to file an action as interpleader requiring both Lender and Payor to answer and litigate their several claims and rights among themselves. OPT is further authorized to deposit with the Clerk of Court all documents and funds held in escrow. Upon filing an interpleader action, OPT shall thereupon be fully released and discharged from all further obligations to further perform any duties or obligations otherwise imposed by the terms of this escrow agreement.

In the event of any legal action taken by OPT with respect to any disputes or claims arising from this escrow agreement or money or property held therein, Lender and Payor jointly and severally agree to pay all costs, damages, judgments and expenses, including reasonable attorneys' fees, suffered or incurred by OPT. All costs and fees will then be made a first and a paramount lien on all monies, papers and things deposited in connection with this escrow and/or such amounts shall be included in any judgment ordered in an interpleader action or any other suit.

OPT may, at its option, upon written "Notice of Resignation" resign as escrow holder and request that a successor be designated by all parties, in writing, to OPT within 30 days from the "Notice of Resignation".

13. EXTENT OF RESPONSIBILITIES

OPT will make every effort to administer accounts in accordance with the terms and conditions of the agreement between the parties and any written instructions. However, the ultimate responsibility for adhering to the terms of the contract lies with the Payor and Lender. OPT cannot assume responsibility for the performance of either party. Neither will OPT assume responsibility for any act (or omission) performed in good faith and not resulting from gross negligence or willful misconduct on our part.

OPT will **not** assume responsibility for:

- The correctness, completeness or legal sufficiency of any document given to us to hold or deliver.
- Performance or compliance with any term or condition in any document
- Notifying any person of failure to perform or of any default
- Payment of insurance, taxes, or assessments unless specifically instructed and unless provided with invoices or statements
- Determining the status of any obligation not administered by us
- Any loss due to forgery or misrepresentation of others or the good faith exercise of our discretion in any matter
- Calculation of any rate or payment change based on an index
- Quoting an incorrect payoff based on information in OPT’s possession at the time of the requested quote

14. AUTHORIZATION

OPT is hereby requested and authorized to establish an account. Lender, Payor and OPT and their respective legal representative, heirs, successors, and assigns shall be bound by this document which contains the entire agreement between the parties. These instructions define and limit all the duties and responsibilities of OPT, and OPT never needs to refer to or interpret any other documents relative to this escrow. Except as otherwise provided herein, this agreement may not be modified or amended other than by written instrument signed by both Lender and Payor and accepted by OPT. No third parties shall have an interest in this escrow whether beneficial or otherwise. This agreement shall be governed by and interpreted under the laws of the State of Washington.

Upon acceptance of this agreement, OPT will notify the undersigned parties in writing. If for any reason, OPT does not accept this escrow, the above documents along with any payment received will be promptly returned to the party furnishing same. Each of the undersigned states that he/she has read this agreement, understands and agrees to all conditions herein, and agrees that said conditions will be binding upon his/her representative, heirs, successors and assign.

**LENDER DISBURSEMENT OPTION: (SELECT ONE)** **CHECK** **ACH**

LENDER SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

LENDER SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**PAYOR MONTHLY PAYMENT OPTION : (SELECT ONE)** **CHECK** **ACH**

PAYOR SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

PAYOR SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_