Put a Professional Team to Work for You!

The Leader since 1985, Escrow Services, Inc. has facilitated literally thousands of seller financed real estate transactions throughout Louisiana and the Gulf South. Aggregate value of contracts serviced exceeds $400 million.

Through Escrow Services, Inc. you can obtain help with the financial structure of any type of seller financing. Escrow Services, Inc. acts as a professional third party escrow agent to handle all the details involved in servicing a first, second, or wrap around mortgage, Deed of Trust, Land Contract, Bond for Deed, option or other installment obligations. Whether you have agreed to accept payments on a promissory note, Bond for Deed, option, as a one time Seller or as a professional investor, we have the experience and expertise to properly service your obligations.

OUR SERVICES INCLUDE:

- Document preparation
- Set up and maintenance of payment and disbursement records
- Set up and maintenance of reserve accounts for taxes and insurance
- Monthly statements
- Payments processed and disbursed as instructed
- Payments for insurance and property taxes
- Late notices and payment received advice
- Certified Default Letters to delinquent Payors
- Preparation and distribution of IRS required interest statement
- Title transfer with Power of Attorney
- Third party payment history reporting for refinance mortgage loan applications

Getting Started

Escrow Services, Inc.

Private Financing Specialists

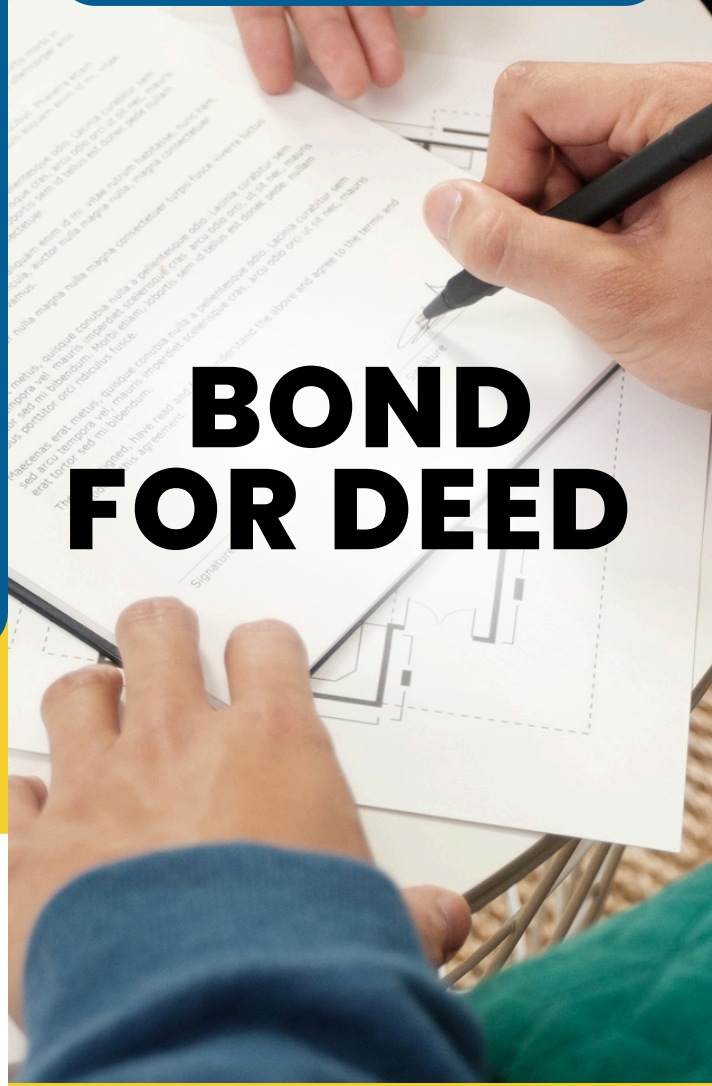
P.O. Box 1512, Mandeville, LA 70470
Street Address: 450 N. Causeway, Ste. B, Mandeville, LA 70448

Phone: **985-626-3727**
Fax: **985-778-0940**
E-mail: **service@escrowserviceinc.com**

Call to speak with an Escrow Services representative today or visit our website for more information or to download a Bond for Deed Purchase Agreement.

Escrow Services, Inc.

BOND FOR DEED



www.escrowserviceinc.com

What Is A Bond For Deed

Simply put a Bond For Deed is a form of Seller Financing. It is a contract to sell Real Estate in which the purchase price is paid in installments and title is transferred after the payments are made in full. In other states, Bond for Deed is usually called Contract for Deed or Land Contract. Bond for Deed contracts may seem relatively new, however, laws covering Bond for Deed contracts have been in existence since 1934.

Recently, the Louisiana legislature enacted legislation that protects the Buyer under a Bond for Deed by not allowing any subsequent judgments or liens against the Seller under a Bond for Deed contract to prime a Bond for Deed contract. To protect all parties, Louisiana law requires the services of a licensed escrow agent. The escrow agent is responsible for collecting the payments, paying any underlying mortgages and issuing IRS 1098 interest reports. In the event of non-payment, the escrow agent sends the required notices to both Purchaser and Seller. The contract allows the Seller to take back the property if payments are not made within the time allowed and without the costly expense of judicial foreclosure. Escrow Services, Inc. is the only statewide commercial escrow agent that has the experience and expertise required to properly service Bond for Deed contracts.

WHEN TO USE A BOND FOR DEED

- Mortgage Not Assumable—Use a Bond for Deed whenever the existing mortgage is not assumable. Anyone can make the payments of an existing mortgage and court decisions have clearly established that permission of the mortgage company is not required.
- In Lieu Of A Lease/Purchase—The advantages of a Bond for Deed versus a Lease Purchase to both Buyer and Seller are numerous and significant. Any party considering a Lease Purchase should investigate the clear advantages of a Bond for Deed before entering into a Lease Purchase Agreement.
- Purchaser/Property Doesn't Qualify– Use a Bond for Deed whenever the Purchaser or the property does not qualify for a loan. Many would-be Purchasers can not qualify for a new mortgage…sometimes the property doesn't qualify…the reasons are endless. The terms of the Bond for Deed are strictly between the Seller and the Purchaser.
- Owner Financing—Use a Bond for Deed whenever the Seller will finance all or a portion of the sales price. Cancelling a contract for non-payment is much less costly than foreclosure.
- Save Money—Use a Bond for Deed to save closing costs. When you buy or sell property under the Bond for Deed contract, you do not have to pay 'points', appraisal and survey fees, Private Mortgages Insurance (PMI), or for repairs required by a mortgage company before it will make a loan.
- Bridge Financing—Use a Bond for Deed to buy or sell property today and 'bridge through' to a future period when mortgage rates become more favorable, market values increase, the property is renovated or improved, or mortgage underwriting is more favorable.

Additional Information

- **Recordation:** The Bond for Deed contract is recorded in both the conveyance and mortgage records to protect the rights of both parties. Subsequent liens and judgments against Seller can not prime a property recorded Bond for Deed.
- **Maintenance:** The Purchaser is responsible for repairs, maintenance, insurance, etc. after the closing of the Bond for Deed contract.
- **Insurance:** Property insurance is carried by Seller or Purchaser in the names of all parties—Seller, Purchaser, and mortgage holder(s). Title insurance is also available to insure the validity of the title that is to be conveyed to the Purchaser.
- **Tax Deductible:** The IRS treats a Bond for Deed the same as an installment sale for interest purposes.
- **Power of Attorney:** Our contract includes a power of attorney empowering Escrow Services, Inc. to transfer ownership of the property to the Purchaser upon full payment or refinancing.
- **Bankruptcy:** In the event the Seller files a bankruptcy action, the Purchaser is protected by the Bankruptcy Code.
- **Death:** The death of a Seller or Buyer does not affect the validity of a Bond for Deed. As a 'heritable contract' under Louisiana Civil Code, the heirs inherit the benefits and the obligations of the Bond for Deed.
- **Refinance:** Mortgages to Buyers under a Bond for Deed qualify as refinances by mortgage lenders rather than new purchase loans. Payments to Escrow Services, Inc. are viewed as mortgage payments paid to an independent third party by mortgage loan underwriters.