

Provided Courtesy of:

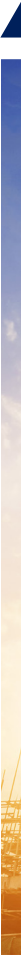


SECURITY
TITLE AGENCY
A Fidelity National Financial Company

FOREIGN INVESTOR GUIDE

TO OWNING
REAL ESTATE
IN ARIZONA

VERSION 2.0
NOVEMBER 1, 2019



WHO IS THE FOREIGN OWNER?



**The Foreign owner
is defined by the
Internal Revenue
Service (IRS) as a:**

- **Non Resident Alien**
- **Foreign Partnership**
- **Foreign Estate**
- **Foreign Trust**



F.I.R.P.T.A BASICS

WHAT YOU NEED TO KNOW

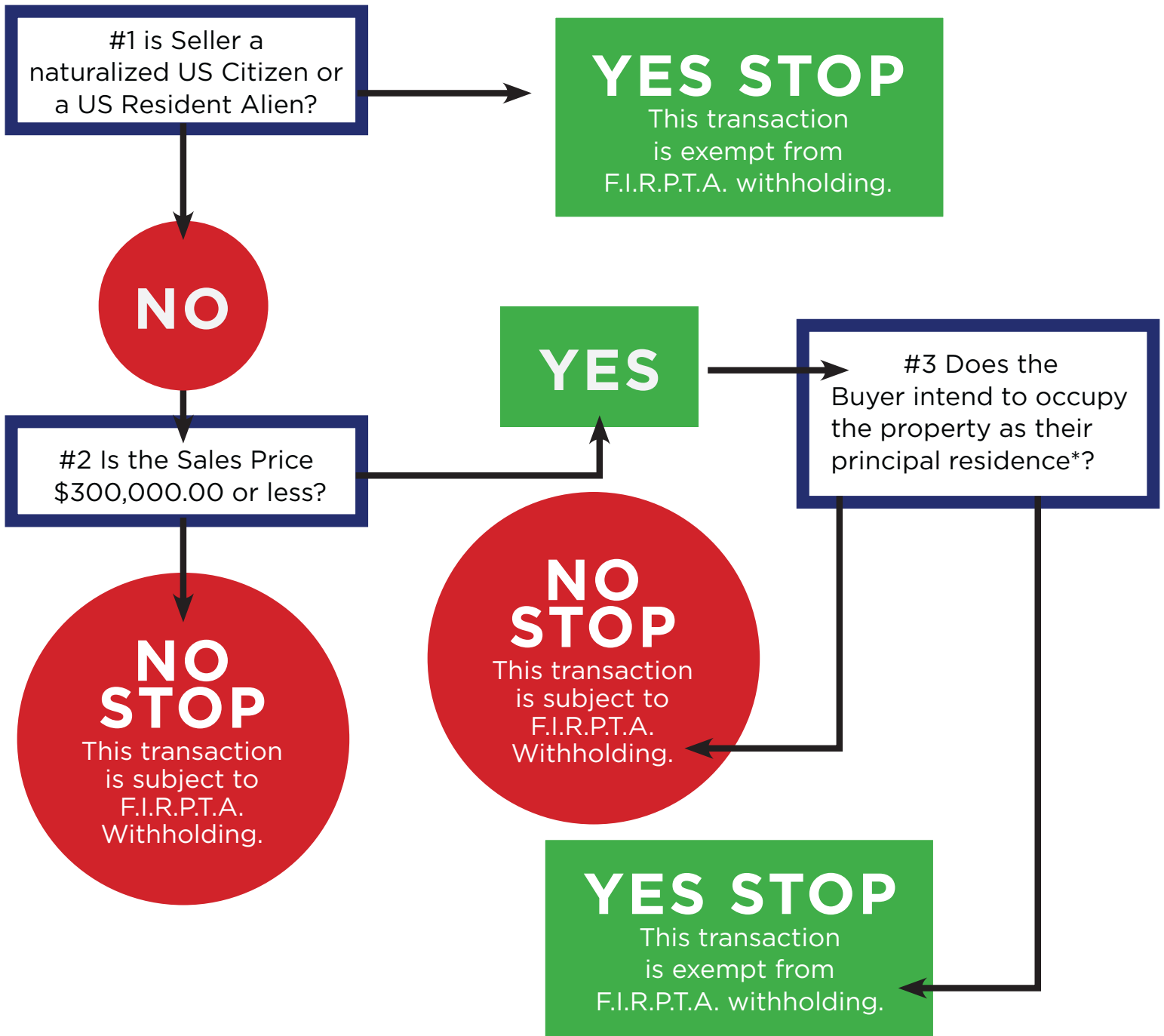
F.I.R.P.T.A. is the Foreign Investment in Real Property Tax Act of 1980 as amended by the Protecting Americans from Tax Hikes Act (PATH) for Income Tax Withholding.

When a foreign owner gets ready to sell, they could be subject to a 15% (of the Sales Price) withholding unless the transaction qualifies for certain residence exceptions.

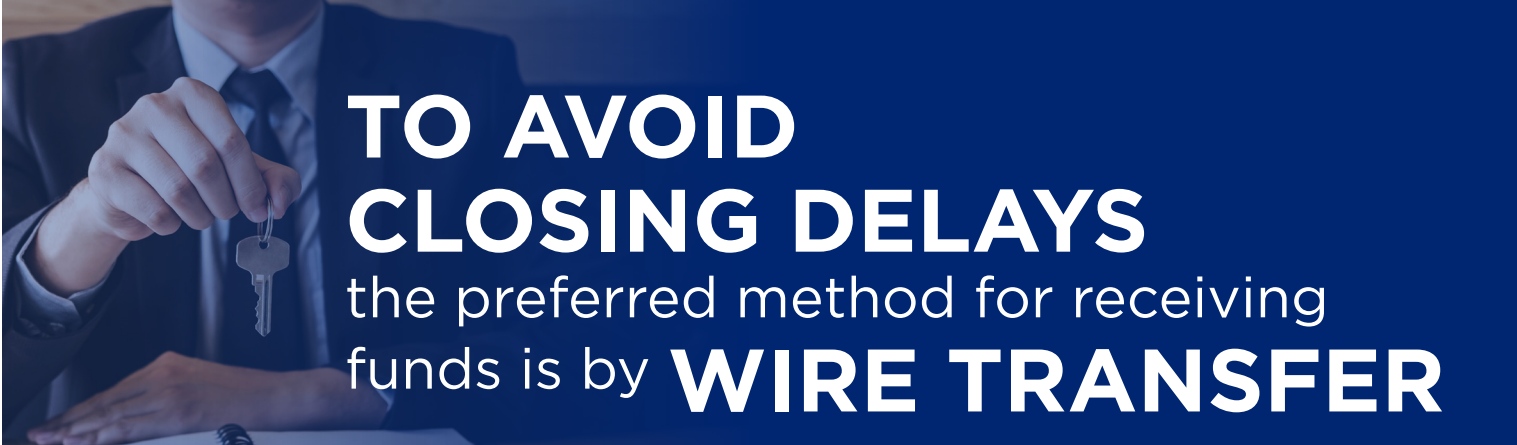
Seller and Buyer should contact their attorney, tax professional, or refer to the IRS website at www.irs.gov for tax forms and Publication 515 for questions or further assistance.

THE F.I.R.P.T.A. TEST

3 Steps to determine if F.I.R.P.T.A. applies to your transaction.



*IRS defines a principal residence as the buyer or member of their family must have definite plans to reside at the property for number for days that represent at least 50% of the days in the calendar year for the first 2 years following close of escrow.



TO AVOID CLOSING DELAYS

the preferred method for receiving funds is by **WIRE TRANSFER**

A portion of the Arizona Revised Statute 6-843 requires an escrow agent may only disburse money out of an escrow account if the deposits made in a specified form of payment and relate directly to the transaction being disbursed. More commonly known as “Arizona Good Funds Law”.

Closing may be delayed if the availability of funds to be used by the escrow agent is based on the form of the deposit as follows:

NEXT DAY

- Official Checks. In-state checks drawn on FDIC insured Institution
- Cashiers, Certified, and Teller Checks
- US Treasury Checks
- Postal Money Orders (for other money orders, see Fifth Day)
- Federal Reserve, Federal Credit Union, and Federal
- State and Local Government Checks. Must be in state
- **Security Title Agency** Checks drawn against the same bank or branch as our own depository bank.

SECOND DAY -- SEE CAUTION

- Local Checks - Personal, Corporate, Credit Union
- Money Market, and Traveler’s Checks

FIFTH DAY -- SEE CAUTION

- Official Checks - Out of State and/or drawn on
- FDIC Insured Institution
- Money Orders (except Postal Money Orders which are available Next Day).
- State and Local Government Checks from Out of State
- Other Checks - Personal, Corporate, Credit union, Money market, and Travelers Checks from Out of State

Caution

Due to the length off time it takes to receive notice from banks on NFS and returned items, written verification from the customer’s bank that the check has paid is required if 10 days have not elapsed since the funds were deposited in escrow

It is the policy of Security Title Agency not to accept the following forms of payment into escrow.



FOREIGN CHECKS

This includes foreign checks paid through a US Bank. All money coming from outside the United States must be sent via wire transfer.

THIRD PARTY CHECKS

Third Party checks that are drawn on a non-financial account payable to a payee other than Security Title Agency, and subsequently endorsed over to Security Title Agency.

IMPORTANT NOTE: There is one exception -United States Treasury checks payable to Farmers Home Administration’s borrower, endorsed over to Security Title Agency.



YOUR CHOICE FOR A TITLE & SETTLEMENT AGENT **MATTERS**

Why **Security Title Agency?**

As one of the largest Title & Settlement Agents in the Southwest we are uniquely capable and positioned to offer our customers:

STABILITY & FLEXIBILITY:

Since 1975 we have been a strong leader in the Phoenix Metropolitan real estate community & as an authorized Title & Settlement Agent for several major national title insurances companies, we have the flexibility to customize your title insurance needs in terms of underwriting and problem solving.

COMPETITIVE RATES:

As a direct operation of Fidelity National Financial, whose global presence spans the continental United States as well as 8 other countries across North America, Europe, Asia, and Australia, we are able to offer the most competitive rates available within the title insurance industry.

CUSTOMER SERVICE:

Each of our professional team members are widely recognized not only for the depth of their knowledge, level of experience, and proficient decision-making skills that are the cornerstone of each escrow transaction, but also for an unparalleled commitment to customer service.

For more information please visit us at **www.SecurityTitle.com**



SECURITY
TITLE AGENCY
A Fidelity National Financial Company