



## ARIZONA ASSOCIATION OF REALTORS®

*The Voice for Real Estate® in Arizona*

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July 27, 2000

Mr. William G. Christie  
RESPA/Interstate Land Sales Division  
Room 9146  
451 Seventh Street SW  
Washington, DC 20410

Re: Real Estate Settlement Procedures Act ("RESPA")

Dear Mr. Christie:

I am General Counsel for the Arizona Association of REALTORS® ("AAR"). AAR represents over 23,000-real estate brokers and agents in the State of Arizona. A member of AAR, Cecil Daniels, forwarded a copy of your e-mail correspondence regarding RESPA to me. I appreciate your assistance in clarifying an issue that has concerned brokers and agents in this state for quite some time.

AAR's Residential Resale Purchase Contract ("Contract") quotes 12 USC §2608 and states:

**RESPA:** The Real Estate Settlement Procedures Act ("RESPA") requires that no Seller of property that will be purchased with the assistance of a federally-related mortgage loan shall require, directly or indirectly, as a condition of selling the property, that title insurance covering the property be purchased by the Buyer from any particular title company.

(Contract page 3, lines 99-101, a copy of which is enclosed for your reference).

The Contract also requires the seller to pay for the buyer's title insurance policy. The Contract at lines 116-119 states:

Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title Insurance Policy, or if not available, an ALTA Residential Title Insurance Policy ("Plain Language"/"1-4 units") or, if not available, a Standard Owner's Title Insurance Policy, showing the title vested in Buyer . . . .



The buyer may, and usually does, pay for the costs of the lenders title insurance policy.

Based on your correspondence, I understand that under the above contractual terms, the seller can require as a condition of selling the property, that the title insurance covering the property be purchased (by the seller) from a particular title company, without violating RESPA, 12 USC §2608.

I would appreciate your written confirmation of the foregoing. Thank-you again for your assistance.

Very Truly Yours,

A handwritten signature in black ink, which appears to be "K. Lind", is written over a horizontal line. The signature is somewhat stylized and is partially obscured by the line it crosses.

K. Michelle Lind  
AAR General Counsel

/ML

Enclosures

AAR Residential Purchase Contract