

Shaker Heights Escrow Requirements

Please complete and deliver or mail the following documents:

- Escrow Account Agreement Form (Original only)
- W-9 Form (Original Only)
- Designation of Agent Form, if applicable (Original Only)
- Buyers Acknowledgement Form
- HUD-1 or Closing Settlement Statement
- Clear Copy of the Driver's License for the person named on the escrow account (individual accounts)
- Articles of Incorporation (business accounts)

The City must receive and approve all required documents before a "Transfer Authorization Letter" can be issued. **Title cannot transfer until the "Transfer Authorization Letter" is received from the City of Shaker Heights.**

After transfer, please send a check for the full amount of the approved escrow funds, made payable to the "City of Shaker Heights" to:

Housing Inspection Department
City of Shaker Heights
3450 Lee Road
Shaker Heights, Ohio 44120

Copies of escrow forms are attached.

Please contact me if I can be of assistance.

Laura Lanovara Administrative Assistant
Housing Inspection Department
216-491-1470
216-491-1456 Fax
laura.lanovara@shakeronline.com

STEP 1:

Have a registered contractor with The City give an itemized written estimate for the violations found on the POS report. Each item must be given an individual price. A cover page stating the property address, total amount, and the contractor's contact information is also needed as follows: the registered company name, address, phone/fax/email, and the printed name/title/signature of the person submitting the bid.

You may find a registered contractor on The City's website at

<http://www.shakeronline.com/departments/building/contractor-index>

Once the bid is received, the Assistant Director will review and approve or ask for items to be amended by the contractor (150% of the approved amount is placed into escrow).

STEP 2: ***

Submit the escrow package paperwork (see attached paperwork/packet) along with copy of driver's license (the originals must be submitted to the Housing Inspection Department at 3450 Lee Road, Shaker Heights, OH 44120). If the house will be put into a corporation's name, then a copy of The State's Articles of Incorporation are required.

STEP 3:

Upon completion of the previous steps, The City then works with the title company in order to complete authorization to transfer title.

If you are in need of anything else, do not hesitate to contact our office. Any one is able to assist you with this matter.

Regards,

The City of Shaker Heights
Housing Inspection
3450 Lee Road, Shaker Heights, OH 44120
Phone: 216-491-1470
Fax: 216-491-1456
www.ShakerOnline.com
www.housing.insp@shakeronline.com

*****PLEASE NOTE: ALL BANK OWNED PROPERTIES; EFFECTIVE 5-19-2016: Step 1 & 2 must be completed prior to The City reviewing the contractor's bid.**

After completion, deliver/send ORIGINAL SIGNED form to City's Housing Inspection Dept., with all required documents and escrow funds.

**CITY OF SHAKER HEIGHTS
POINT OF SALE ESCROW ACCOUNT AGREEMENT ("Escrow Agreement")**

The undersigned person ("Escrow Account Holder") agrees and requests to establish an Escrow Account with the City of Shaker Heights to hold funds in a non-interest bearing account in the amount approved by the City of Shaker Heights for the correction of Housing Code violations listed on the Certificate of Inspection issued by the City and dated _____, in compliance with Section 1415.05 of the City's Ordinances.

Property Address: _____ Shaker Heights, Ohio Zip Code: _____

Seller's Name: _____ Buyer's Name: _____

*Name/address/contact information of person/entity establishing Escrow Account:

Name: _____ Social Security # _____

Name of Business entity (if applicable): _____

Tax ID No. _____

Address: _____

Telephone #: _____ Check one: Home Office: Cell

2nd Telephone #: _____ Check one: Home Office: Cell

E-Mail: _____

** If individual establishing escrow acct: must provide photocopy of Driver's License/State ID & Original Signed W-9. If business entity establishing escrow acct: must provide Articles of Incorporation, proof of registration with Ohio Secretary of State, & original W-9 Form.*

Amount of Escrow to be deposited by Seller: \$ _____

Amount of Escrow to be deposited by Buyer: \$ _____

Total amount to be deposited into Escrow: ** \$ _____

** This amount must be the total approved by the City for the Escrow pursuant to City law.

Disbursements of Escrow Funds to pay for correction of Housing Code violations shall be paid to the person or entity establishing the Escrow Account using the **Disbursement Request Form** attached to this Agreement.

The undersigned further agrees:

- An Escrow Account shall be established in the name listed above in the amount stated above.
- The amount of escrow must be approved in writing by the City of Shaker Heights.
- Funds shall be disbursed only upon written authorization from the City. A charge of \$15 per disbursement check will be deducted from the escrow account by the City. Disbursement checks may take up to seven (7) business days for receipt.
- Authorization to release funds shall be granted upon the determination by the Director of Housing Inspection that substantial progress has been made in correcting the violations and that sufficient funds will remain in escrow to correct all remaining violations.
- Disbursements shall be made as follows, unless otherwise set forth in writing by the City:
 - If escrow less than \$5,000, no funds held in escrow shall be released until all violations are corrected.
 - If escrow between \$5,000 and \$20,000, the City may authorize one partial release of funds.
 - If escrow between \$20,000 and \$40,000, the City may authorize two partial releases of funds.
 - If escrow between \$40,000 and \$60,000, the City may authorize three partial releases of funds.
 - If escrow \$60,000 or more, the City may authorize four partial releases of funds.
- Funds shall be paid as allowed under this Agreement, and as instructed by the person establishing the escrow.
- If all repairs are not completed within a reasonable period of time, as determined by the Director or the Director's designee, the undersigned agrees that, pursuant to Chapter 1415 of the City's Ordinances, the City may withdraw such funds from the escrow account as shall be necessary to pay for the completion of the repairs or demolition of the property, as the City determines to be necessary. The City shall provide written notice to the owner and any lessee or party in control of a property, and to the party that established the escrow, at least thirty days prior to the City's withdrawal of funds from the escrow account.

The undersigned accepts and agrees to all of the terms and conditions in this Agreement:

Signature: _____ Date: _____

Printed Name: _____

Title: _____

If on behalf of an entity provide relationship: _____ (e.g. principal, owner, etc.)

Upon completion this form shall be sent or delivered in person to: Director, Housing Inspection Department, City of Shaker Heights, 3450 Lee Road, Shaker Heights, Ohio 44120 **5-24-17**



SHAKER HEIGHTS

POINT OF SALE INSPECTION AND ESCROW REQUIREMENTS

Housing Inspection Department

(216) 491-1470

- **An owner** of any residential real estate must obtain a Certificate of Inspection or Certificate of Compliance prior to entering into any agreement to sell or transfer an interest in their property.
- The **Seller** must complete and submit to the **City's Housing Inspection Department** a "Point of Sale Application" form and pay the applicable fee. **Application Fees:** \$150 for a Condominium unit; \$200 for a Single-family dwelling; \$300 for a Two-family dwelling; \$200 for 1st Apartment unit, \$50 for each additional unit.
- The **Seller** must schedule an appointment for an inspection with the **Housing Inspection Department**.
- The **Seller** will be mailed a "Certificate of Inspection (Point of Sale)" form or "Certificate of Compliance" form by **City** after inspection. A POS inspection is valid for one year from date of issuance.
- The **Seller** must provide the Certificate and a "Buyer's Acknowledgement" form to the **Buyer**.
- The **Seller has two options** if a Certificate of Inspection is received:
 - Correct all violations and receive a "Certificate of Compliance" showing full compliance.
 - If violations remain uncorrected at the time of title transfer, Seller must ensure that a Point of Sale (POS) Escrow Account is established.
- The **Seller** must correct violations if property fails to transfer within 90 days after the Certificate is issued.
- If the **Seller** wants re-inspections of the property prior to sale, a re-inspection fee of \$25 will be charged for each requested re-inspection after the first two requested re-inspections.
- The **Buyer** must, **prior to transfer of title**, sign the "Buyer's Acknowledgement" form and provide it to the **City**, assume responsibility for all violations, obtain a registered contractor's estimate of cost to correct violations, obtain **City** approval of the POS Escrow amount, and provide the City with an original, signed "Escrow Agreement", if the Buyer is establishing the POS Escrow Account, an original signed W-9 form; and a copy of a Driver's License (if an individual), or Articles of Incorporation and proof of registration with the Ohio Secretary of State (if an entity).
- The Buyer must provide, within three (3) days after transfer of title, a check made payable to **City of Shaker Heights** in the amount approved by the City (i.e. 150% of the cost to correct the violations.)
- The **Seller or Buyer** must obtain a written estimate from a contractor registered with the City to correct the remaining violations (contractor list available from the City's Building Department and on City's website (www.shakeronline.com).)
- The **written estimate** must be "itemized" for each violation and the repair cost must reflect current market rates for labor and materials, and follow National Construction Standard guidelines. All estimates must be rounded off to the nearest dollar and submitted on contractor letterhead. Estimates will be rejected if itemized cost does not equal total cost submitted. The written estimate must be submitted to the Housing Inspection Department, and will be approved or disapproved within 3-5 days.

- The total estimate from the **approved contractor** will be multiplied by 150% to determine the amount required to be held in a POS Escrow Account.
- Upon **approval of the escrow amount**, the City will notify the parties or the identified escrow agent for the transaction.
- The **Buyer** or **Seller** must fill out and sign the “Escrow Account Agreement” form (depending on who is establishing the POS Escrow Account).
- The escrow agent for the transaction, or the Seller or Buyer, must then send to the City a preliminary **HUD 1 or other Closing Settlement Statement** demonstrating that the approved POS escrow amount will be available to be deposited by the City of Shaker Heights into a non-interest bearing POS Escrow Account upon title transfer.
- Prior to transfer of the property, the **Director of Housing Inspection** must have issued a “Transfer Release Letter,” which will be issued only after receipt by the City of all of the following documents:
 - A preliminary **HUD 1 or other Closing Settlement Statement**
 - The **Buyer’s Acknowledgment Form**;
 - The **original signed “Escrow Account Agreement” form**;
 - An **original signed W-9 form**;
 - A copy of the **driver’s license** of the person opening the escrow account (if individual), or
 - A copy of **incorporation documents** (if an entity); must be registered with the Ohio Secretary of State
 - The **social security number** of the person opening the account (if individual), or
 - The **tax ID number** of the entity opening the escrow account.
- Within 3 days after transfer of the property, a **check made payable to City of Shaker Heights** in the amount approved by the City must be provided to the **City’s Housing Inspection Department**.
- **Disbursements** from the POS escrow must be requested on the escrow “Disbursement Request Form” and sent to the Housing Inspection Department. A disbursement will be approved if the Director of Housing Inspection determines that substantial progress has been made in correcting the violations and that sufficient funds will remain in escrow to correct all remaining violations. Note: disbursements may take up to **seven (7) business days** to be received. Account Holders will be charged **\$15 per check** issued for disbursement of funds, which will be deducted from the account balance.
- **Disbursements** shall be made as follows:
 - If escrow less than \$5,000, no funds shall be released until all violations are corrected.
 - If escrow between \$5,000 and \$20,000, the City may authorize one partial release of funds.
 - If escrow between \$20,000 and \$40,000, the City may authorize two partial releases of funds.
 - If escrow between \$40,000 and \$60,000, the City may authorize three partial releases of funds.
 - If escrow \$60,000 or more, the City may authorize four partial releases of funds.
- Funds shall be disbursed to the Account Holder at the address provided on the Disbursement Request Form.

For more information contact:

Housing Inspection Department, City of Shaker Heights
3450 Lee Road, Shaker Heights, Ohio 44120
Telephone: (216) 491-1470; Email: housing.insp@shakeronline.com

Any person, including any Seller and Buyer, violating any provision of Chapter 1415 of the Shaker Heights Codified Ordinances may be prosecuted. Violations of Chapter 1415 are first degree misdemeanors punishable by up to 6 months in jail and/or a fine of up to \$1,000.

Note: references to Seller and Buyer include their authorized agents. Revised 5-24-17

Request for Taxpayer Identification Number and Certification

Give Form to the
 requester. Do not
 send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership).	
	<input type="checkbox"/> Other (see instructions)	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number									
Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person	Date
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.



SHAKER HEIGHTS

DESIGNATION OF AGENT FORM

PROPERTY ADDRESS _____

=====

OWNER INFORMATION

NAME _____

RESIDENCE ADDRESS _____

TELEPHONE NO. (HOME) _____ (BUSINESS) _____

I, the owner of the above-named property, do hereby designate _____, a resident of Cuyahoga County, as my agent for the purpose of receiving notices pertaining to this property that relate to compliance with ordinances, laws, and rules of the City of Shaker Heights. I agree that notice upon my agent shall be deemed to be notice upon me. I AGREE TO NOTIFY THE CITY'S DEPARTMENT OF HOUSING INSPECTION SHOULD I CHANGE THE AGENT, AND IF MY AGENT NAMED HEREIN IS NO LONGER SERVING IN THAT CAPACITY I AGREE THAT I SHALL APPOINT ANOTHER AGENT AND NOTIFY THE CITY OF THAT APPOINTMENT.

DATE _____

SIGNATURE OF OWNER

=====

AGENT INFORMATION

NAME _____

RESIDENCE ADDRESS _____

TELEPHONE NO. (HOME) _____ (BUSINESS) _____

I, _____ do hereby accept this designation as agent for the purpose of receiving notices of inspections, orders and otherwise from the City of Shaker Heights relative to this property. Service of notice upon me as agent shall be deemed to be notice upon the owner. I AGREE TO NOTIFY THE CITY'S DEPARTMENT OF HOUSING INSPECTION SHOULD I CEASE BEING THE AGENT OF THE OWNER.

DATE _____

SIGNATURE OF AGENT

Rev 10/09



SHAKER HEIGHTS

CITY OF SHAKER HEIGHTS
HOUSING INSPECTION DEPARTMENT
3450 LEE ROAD
SHAKER HEIGHTS, OHIO 44120
(216) 491-1470 Fax: (216) 491-1456

BUYER'S ACKNOWLEDGEMENT FORM

The undersigned buyer or transferee of the property located at _____, Shaker Heights, Ohio, does hereby acknowledge and accept the following:

I have received a copy of either a "Certificate of Inspection (Point of Sale)" form or "Certificate of Compliance" form issued by the Director of the Housing Inspection Department within one year prior to the agreement to sell or otherwise convey an interest in this property. Note that a Certificate of Inspection may be appealed by the Owner, which could result in changes to the list of violations or the required corrections. Housing Inspection reserves the right to work with the owner to determine how the violations should be corrected. It is the Buyer's responsibility to inspect the property before transfer, to request any new or modified violation notice from the City, and to include contract terms that require disclosure by the Owner of changes to the property before title transfer.

I will provide this signed "Acknowledgement Form" to the escrow agent for the property purchase transaction, and a copy to the Housing Inspection Department, as a condition of transfer of title.

I agree that if all violations on the Certificate of Inspection are not corrected prior to transfer of title, either the Seller or I will sign and fill out the City's "Escrow Agreement" form, and I agree an Escrow Account will be established with the City of Shaker Heights, where funds equal to 150% of the estimated cost of repairs will be deposited in a non-interest bearing account to pay the cost to correct all violations at the time of title transfer.

I understand that Funds held in escrow will be disbursed only upon submission of the "Disbursement Request" form to the City, and written approval of the request by the City. If the amount held is less than \$5,000, no funds will be released until all violations are corrected; if the amount is between \$5,000 and \$20,000, the City may authorize one release, if substantial progress has been made in correcting the violations and sufficient funds remain in escrow to correct all remaining violations. If the amount is between \$20,000 and \$40,000, two partial releases may be approved; if between \$40,000 and \$60,000, three partial releases may be approved; and if \$60,000 or more, four partial releases are allowed.

I understand that the buyer/transferee is responsible for correcting all violations remaining at the time of title transfer within ninety (90) days unless, for good cause, an extension of time is approved by the Housing Inspection Department.

I agree that if this property is not intended to be owner-occupied and if I reside outside Cuyahoga County, I will complete a designation of agent form as required by Section 1409.03(b) of the Codified Ordinances. I agree that if the buyer/transferee is a business entity, rather than an individual, the business entity will be registered with the Ohio Secretary of State prior to transfer of title to Buyer. Proof of registration required for approval of transfer.

The purpose of the inspection is to benefit the community at large and is not intended to protect the interests of any individual, owner, buyer, successor owner or occupant of the property. The City assumes no liability or responsibility for failure to report violations that may exist and does not warrant the repairs made pursuant to the inspection. The POS Inspection does not include the public sidewalk or driveway apron, and does not include any inspection for lead, asbestos or other hidden hazards, adequacy of utility connections or sewer line blockages or failures. The City strongly recommends that a purchaser/transferee hire a qualified private inspector to report on the conditions of the property and potential issues.

I acknowledge there may be City assessments, not yet recorded or billed with the real estate taxes, owed on the property for work performed by the City that has or will benefit the property. It is the responsibility of the buyer or transferee to ensure that inquiry is made to City to identify any such pending assessment, and to ensure that the assessments are paid. Unpaid assessments may become a lien on the property collected with the property taxes.

Please indicate if this property will be owner-occupied. Yes [] No []

Please indicate if this property will be used as rental property. Yes [] No []

Please indicate if property will be renovated and sold prior to occupancy. Yes [] No []

Buyer's Name(s): _____ (Please print)

Buyer's Address: _____ (Street) (City / State / Zip)

Home Phone No: _____ Office / Cell No: _____ Email Address: _____

I affirm that the information provided herein is true, correct and complete to the best of my knowledge, and I understand that if I allow someone other than myself or my immediate family to occupy this property, whether or not rent is paid, that I am required to obtain a Certificate of Occupancy (Section 1413.01(b)) and that any false statement or violation of the above may result in prosecution.

Signature(s): _____ Date: _____

**CITY OF SHAKER HEIGHTS
POINT OF SALE ESCROW ACCOUNT
DISBURSEMENT REQUEST FORM**

NOTE: ACCOUNT HOLDER MUST CONTACT THE HOUSING INSPECTION DEPARTMENT AT 216-491-1470 BEFORE SUBMITTING THIS FORM TO DETERMINE THE AMOUNT OF ESCROW FUNDS ELIGIBLE FOR DISBURSEMENT.

For each disbursement check \$15 will be deducted from the Escrow Account. Disbursements may take up to 7 business days for receipt of funds.

The undersigned Escrow Account holder requests that funds in my Escrow Account be disbursed in part or in whole as follows:

Property Address: _____

Permanent Parcel Number: _____

Escrow Account:

Account No.: _____

Name of Account Holder: _____

Mailing Address: _____

Telephone #: _____ Check one: Home Office: Cell

2nd Telephone #: _____ Check one: Home Office: Cell

E-Mail: _____

I affirm that (check one) a portion _____/all _____ of the Housing Code violations listed on the Point of Sale Certificate of Inspection for the address above have been corrected. I request that the City confirm that the violations have been corrected and approve a release of funds held in escrow as allowed by City law and my Escrow Agreement.

Once a partial or final disbursement is approved, a check will be sent to the address above, made payable to the Account Holder.

By signing below, I affirm that I have the authority to make this request for disbursement as the Account Holder or on behalf of the Account Holder (if Account Holder is an entity).

Name of Account Holder: _____

Signature: _____ Date: _____
(of person making request for disbursement)

If Account Holder is an entity, provide your relationship to the entity: _____

FAX, EMAIL, HAND-DELIVER OR MAIL THE COMPLETED FORM TO:

Housing Inspection Department, 3450 Lee Road, Shaker Heights, Ohio 44120; Fax # 216-491-1456;
Email: housing.insp@shakeronline.com.

FOR OFFICIAL USE ONLY

City of Shaker Heights - APPROVES DISAPPROVES the request for disbursement. IF APPROVED: Amount approved: \$ _____; This is the (# of this disbursement) _____ disbursement;
IF DISAPPROVED: Reason for disapproval: _____