



Pelican Escrow Services, LLC

Your Escrow Agent Administrator
Serving Bond for Deed and Private Mortgages
We Connect People

OWNER FINANCING AGREEMENT

This Agreement is for (Check One) Bond for Deed Installment Option Contract for Deed

Property Address: _____
City _____ State _____ Zip _____ Parish _____

Check this box if: This property is being Sold and Purchased in "AS-IS" condition.
 Check this box if: This Agreement is an Addendum to Realtor's Purchase Agreement dated: _____.
 Check this box if: **The Provisions of THIS AGREEMENT shall prevail over any Agreement to which it is attached.**

Contract Purchase Price \$ _____ (Principal amount to Seller)
Down Payment (-) _____ (Shall be Paid as: _____)
Balance Due \$ _____ (Amount to be Owner Financed)

The **Balance Due** is payable with an annual interest rate of _____ %
 The **Balance Due** is payable in monthly fixed payments of \$ _____ which (DOES / DOES NOT) include Escrow
 The **Balance Due** is described as: _____

The Term shall be _____ (months / years) with the (Final or Balloon) Payment due by (Date) _____

SELLER/OWNER(S) INFORMATION:

Name _____
First Middle/Maiden Last

Name _____
First Middle/Maiden Last

Address after Closing: _____ City _____ State _____ Zip _____

Home Phone () _____ His: () _____ Hers: () _____

His Email: _____ Her Email: _____

Never Married Married Divorced Widowed

Married now but Previously Divorced _____
(Provide your name and previous spouse's name)

PURCHASER/BUYER(S) INFORMATION: Will Purchaser Occupy Property? Yes No

Name _____
First Middle/Maiden Last

Name _____
First Middle/Maiden Last

Address after Closing: _____ City _____ State _____ Zip _____

Home Phone () _____ His: () _____ Hers: () _____

His Email: _____ Her Email: _____

Never Married Married Divorced Widowed

Married now but Previously Divorced _____
(Provide your name and previous spouse's name)

PAYMENT DUE DATE: The Purchaser's 1st monthly payment is Due on: _____ and on the SAME day of each month thereafter.

LATE PAYMENT: There will be a 10% Late Fee applied after 10 days, unless otherwise stated. Escrow Administrator is paid 50% of Late Fees.

CLOSING FEES: Will be paid by the (Purchaser / Seller / Other) _____ **CLOSING DATE REQUESTED:** _____

ADDITIONAL PROVISIONS: _____

IT IS CLEARLY UNDERSTOOD AND AGREED THAT THIS SELLER FINANCING AGREEMENT IS NOT AN ACT OF SALE (THE TITLE DOES NOT TRANSFER) BUT ONLY AN AGREEMENT TO CONVEY TITLE TO THE PROPERTY IN THE FUTURE, PROVIDED ALL OF THE OBLIGATIONS ARE MET BY THE PURCHASER.

SELLER(S)

PURCHASER(S)

Signature: _____ Date: _____

Signature: _____ Date: _____

PRINT NAME: _____

PRINT NAME: _____

Signature: _____ Date: _____

Signature: _____ Date: _____

PRINT NAME: _____

PRINT NAME: _____

ESCROW AGENT ADMINISTRATOR: All payments under this contract shall be made directly to **Pelican Escrow Services, LLC**. *The total monthly payment may include the Principal and Interest (P&I), Taxes and Insurances (T&I) and the Administrator's Service Fee as outlined in this agreement. Escrow Agent is not responsible for applying any payments made directly to Seller or the Mortgage Company.*

Escrow Administrator will pay underlying mortgage(s) (if applicable) from the monthly payment, **a.k.a Wrap-Around**.

INFORMATION REQUIRED ON SELLER'S EXISTING MORTGAGE(S)

Seller's Authorization to Release Loan Information to Pelican Escrow Services, LLC

Property Address _____
City _____ **State** _____ **County/Parish** _____ **Zip** _____

Mortgage(s) in Name(s) of: _____
1st Mortgage Company: _____ Loan No: _____ Phone: _____
 Address: _____ City: _____ State: _____ Zip _____
2nd Mortgage Company: _____ Loan No: _____ Phone: _____
 Address: _____ City: _____ State: _____ Zip _____

I/We hereby authorize the release of mortgage information to Pelican Escrow Services, LLC. A copy of this authorization will be treated as if it were an original.

Date: _____ Signature: _____ SS# _____ (to be provided privately)
Print Name Below:
 Date: _____ Signature: _____ SS# _____ (to be provided privately)
Print Name Below:

1st Mortgage Company _____ Balance approximately \$ _____
 Monthly Payment \$ _____ (P & I) + \$ _____ (T & I) = **TOTAL PAYMENT** \$ _____
 Interest Rate: _____% Fixed Adjustable Next Payment is Due: _____

2nd Mortgage Company _____ Balance approximately \$ _____
 Monthly Payment \$ _____ (P & I) + \$ _____ (T & I) = **TOTAL PAYMENT** \$ _____
 Interest Rate: _____% Fixed Adjustable Next Payment is Due: _____

Check Box if: SELLER UNDERSTANDS IT IS THE SELLER'S SOLE RESPONSIBILITY TO KEEP ALL MORTGAGES CURRENT, EVEN IF PURCHASER DOES NOT MAKE THE BOND FOR DEED PAYMENT/ INSTALLMENT OPTION / or CONTRACT BOND FOR DEED.

Check Box if: All Mortgage payments including any Late Fees, Escrow Shortages, Homeowner's Association Fees, Taxes, Insurances due through the date of this closing, will be paid by the Seller.

ESCROW / IMPOUND ACCOUNT FOR PROPERTY TAXES AND/OR INSURANCE:

- None – Escrow is not required
- Purchaser will make monthly escrow payments to Pelican Escrow Services as Administrator in accordance to this contract
- Purchaser will make payments as required and held by the Seller's Mortgage Lender
- Seller will make monthly escrow payments to Pelican Escrow Services as Administrator in accordance to this contract

INSURANCE: Seller will ultimately keep property insured against loss by fire and other hazards included within the term "Extended Coverage" and any other hazards including flood insurance as required- If there is a mortgage, all policies shall contain both the Seller's name and the mortgagee clause with Purchaser named as "Additional Insured." The Purchaser / Seller will pay premiums for all insurance coverages.

INSURANCE INFORMATION: (Please provide Escrow Agent with your current and/or new insurance Declaration page)

Agent's Name _____ Phone Number _____
 Name of Insurance Company _____
 Address _____ City _____ State _____ Zip _____
 Hazard/Fire Policy No. _____ Next Due Date _____ Amount \$ _____
 Flood Policy No. _____ Next Due Date _____ Amount \$ _____
 Other: _____

LISTING AGENT/BROKER: _____ **Phone:** () _____
 Commission: _____ Commission paid as / when: _____

SELLING AGENT/BROKER: _____ **Phone:** () _____
 Commission: _____ Commission paid as / when: _____

To Begin Preparing Your Contract, The Following Documentation Is Required

1. This completed Owner Financing Agreement form must be signed and dated by all parties – You may call us to provide personal information
2. Attach All Addendums and Insurances – (including Realtors Purchase Agreement if applicable, and current insurance policies)
3. Seller's Mortgage Payment Coupon(s) / Statement(s) including Loan No, Amount Due, Escrow information, etc. (Seller can email or fax separately)
4. Certified Check or Money Order for \$350 (Non-Refundable) which will be applied towards Closing Cost

WE APPRECIATE YOUR BUSINESS AND LOOK FORWARD TO SERVICING YOUR ACCOUNT!



Pelican Escrow Services, LLC

P.O. Box 181 Mandeville, LA 70470

Phone: 985-626-5995 • E-Fax: 800-815-6317 • Email: [PelicanEscrow@gmail.com](mailto: PelicanEscrow@gmail.com) • Website: www.PelicanEscrowServices.com



UNDERSTANDING YOUR OWNER FINANCING TERMS

ADDENDUM: Use this form as an ADDENDUM to your Real Estate Purchase Agreement form. The terms of this Owner Agreement shall not prevail over the Real Estate Purchase Agreement.

AMORTIZATION: This is an outline of your payment schedule, how the Mortgage or Bond for Deed payment is applied into several areas. This typically includes, the Principal and Interest payments, Escrow payment, and Service Fees. Each month after a payment is received, the Principal balance is reduced, the Escrow balance is increased, and the payments for each portion is applied accordingly. When interest is charged, the majority of your payment goes to Interest first, then applied to Principal, then Fees, and then Escrow. Mortgage Companies and Escrow Administrators use a special Mortgage Servicing software to guarantee the payments are applied correctly. This amortization shows the Principal balance at any given time on the loan.

AS-IS: The property is sold in "As-Is" condition and the Seller is not expected to make any repairs unless otherwise outlined in the agreement.

BALANCE DUE: This is the amount being Owner Financed. The **BALANCE DUE** may be charged an annual Interest Rate. This is referred to as Principal and Interest (P&I). The Seller will get monthly P&I payments towards the Balance Due. Only the "Principal" amount will reduce the Unpaid Balance, not the interest.

BALLOON PAYMENT: The Unpaid Balance on the remaining Principal amount when the Contract Term Date has arrived. After making several monthly (P&I) payments, Purchaser may still have a remaining Principal Balance Due to the Seller. Usually the Purchaser will obtain a **Refinanced Loan** to pay off this Balloon Payment.

BOND FOR DEED: A "Contract to sell real property" between the Seller and the Purchaser. Louisiana Revised Statute 9:2941 (1950) defines a "Bond for Deed in which the Purchase Price is to be paid by the Buyer to the Seller in installments and in which the Seller after payment of a stipulated sum is received, agrees to deliver Title to the Buyer".

BOND FOR DEED PAYMENT: The Purchaser's total monthly Bond for Deed payment shall include the Bond for Deed Principal and Interest (P&I), the Escrow amount for Taxes and Insurance (T&I) payment, and the Administrator's Service Fee. **If you do not have a Mortgage Calculator and need assistance calculating the Monthly payment amount, we can assist you.*

CLOSING DATE: This is the Date when all parties including the Seller, Purchaser, Escrow Agent, Attorney or Notary all meet to sign the contract papers. For a Bond for Deed or Lease Purchase Closing Date, title of the property doesn't transfer at this first Closing. There will be another Closing, later in the future when the Title transfers. Please have all the information provided to the Escrow Agent or Title Company at least 15 days before the requested Closing Date. We need time to perform Due Diligence, verifications, etc, and prepare the documents ahead of time and make sure your Closing goes as smooth as possible.

CONTRACT PURCHASE PRICE: This is the "Sales Price" amount the property is sold for. This is the "Principal" amount the Seller will collect for selling his property. The Seller will likely charge an Interest Rate for financing the unpaid balance.

DEFAULT: Louisiana Revision Statute 9:2945 (1950) states "If the Buyer under a Bond for Deed contract shall fail to make the payments in accordance with its terms and conditions, the Seller, at his option, may have the Bond for Deed cancelled by proper registry (only through an Attorney at Law or licensed Escrow Agent) in the Conveyance records, provided he has first caused the Escrow Agent to serve notice upon the Buyer, by registered mail at his last known address, that unless payment is made as provided in the Bond for Deed, within Forty-Five days from the mailing date of the notice, the Bond for Deed shall be cancelled.

DOWN PAYMENT: This is the amount the Purchaser pays Down towards the Purchase Price on the Closing Date (or deferred on another specified date). This amount must be paid in certified funds. Interest is not applied on the Down Payment. The Down Payment reduces the amount financed.

EXISTING MORTGAGE(S): All underlying mortgages for the Seller that will remain on the property **MUST** be listed. If any liens will be cancelled before this Closing, this information must be noted under Additional Provisions. Please attach a separate sheet of paper if you need more space. Louisiana Revised Statute 2943 states any Bond for Deed contract burdened with an underlying mortgage, must use a licensed Escrow Agent to service a Bond for Deed contract. Escrow Agent shall distribute payments between Seller and Mortgage Holder.

ESCROW or IMPOUND ACCOUNT: Mortgage companies usually require a special protected Escrow account to hold funds for the payments of Taxes and Insurances (T&I). Overages in the Escrow Account will not be refunded or reduce the monthly payment until an annual Escrow Account Analysis is performed. Neither the closing agent nor the Administrator can adjust Mortgage Escrow payments or change mortgage company procedures. Administrator will NOT attempt to collect funds from mortgage companies. If the Seller requires reimbursement of any funds held by the mortgage company, it must be stated on the Addendum and settled at the Closing with the Purchaser. If the mortgage holder does not maintain the Escrow / or Impound Account, the Escrow Agent Administrator will, as requested. **It is the responsibility of the Seller and Purchaser to send Tax and Insurance bills to the Administrator.** Whether the Escrow Administrator holds escrow or not, the Escrow Administrator MUST have an updated copy of the paid receipt at all times.

ESCROW AGENT ADMINISTRATOR: The Escrow Agent Administrator, is a licensed third-party company handling the payment processing and the Escrow Accounts. They are the "Customer Service Department" for Owner Financing contracts. Payment methods can be made by check, certified funds, or automatically Bill Pay from your Checking or Savings account. Please mail all payments and correspondences to us at:
Pelican Escrow Services, LLC P.O. 181 Mandeville, LA 70470. You can contact us by **phone: 985-626-5995** or **email: PelicanEscrow@gmail.com**

INSURANCE REQUIREMENTS: Bond for Deed, Contract for Deed, and Installment Options have special property insurance requirements because *Title of Ownership* **does not transfer** and the Owner/Seller **must** be insured.

If the Owner/Seller has an **existing "HOMEOWNER'S" policy**, it shall be **converted to a "RENTERS DWELLING" policy**. Also known as "Extended Coverage". If the existing policy cannot be converted, a new "RENTERS DWELLING" policy should be purchased instead. Please note: "Homeowner's" policies issued in the name of the Purchaser are not accepted by all mortgage companies and may require the policy to remain in the Seller's name as the primary insured.

If there are NO Mortgages on the property and with the Seller's permission, the Purchaser may purchase a complete "HOMEOWNER'S" policy in their own name, and list the Seller as an **"Additional Insured"**. This would be in lieu of the "Rental Dwelling/Extended Coverage" policy in the Seller's name.

PAYOFF vs PRINCIPAL BALANCE: Principal Balance is the amount owed on the Sales Price. PayOff is the Principal Balance plus the daily per diem interest owed, and any outstanding fees or charges on the account. Interest is calculated in arrears. A PayOff amount would calculate interest on days to come, when the Closing Date is scheduled and interest ends. Payoff amount will always be higher than the Principal Balance.

PAYMENT DUE DATE: This is the date the Purchaser makes their monthly payment to the Escrow Agent. Please NOTE: Seller's must make sure their underlying mortgage payment is not skipped. When selecting a Due Date, we request the **Purchaser's Due Date** to be approx. 15 days **BEFORE** the Seller's underlying mortgage(s) Due Date. **Please remember that the Seller is still ultimately responsibility to make their mortgage payments even if the Purchaser does not make payments far enough in advance.** All Mortgage payments (including Private Mortgages) are paid as "in arrears", therefore covering the previous month of ownership. Example: The mortgage payment due December 1st, is paying for the previous month November 1st – 30th.

TERM: Term is the amount of time for the Contract to be paid in full. It also relates to the Balloon Payment, if there's a balance due with the Term date arrives.

WRAP-AROUND: Any Principal and Interest (P&I) payments due on the Seller's underlying mortgages are paid out of the Bond for Deed (P&I) payment, hence the term "Wrap-Around". The Seller will receive the difference between their underlying Mortgage's (P&I) payment and the Purchaser's Bond for Deed's (P&I) payment (if applicable).

Please don't hesitate to call us! We'll be happy to assist you and answer any questions that you have.



Pelican Escrow Services, LLC

P.O. Box 181 Mandeville, LA 70470

Phone: 985-626-5995 • E-Fax: 800-815-6317 • Email: PelicanEscrow@gmail.com