

Foreign Buyers Guide

To Purchasing a home in Arizona



GREYSTONE TITLE AGENCY

POLISHED ♦ EXPERIENCED ♦ PROFESSIONAL



our escrow office Branches

GREYSTONE
TITLE AGENCY
Polished, Experienced, Professional

Scottsdale Spectrum

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Scottsdale, AZ 85253
480-624-4370 Main Phone
480-624-3336 E-Fax
*Spanish Speaking

Chandler/Ocotillo

1035 W. Queen Creed Rd Suite 101
Chandler, AZ 85248
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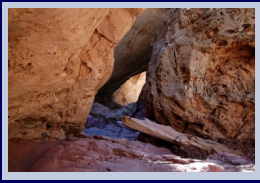
Corporate Office

6710 N Scottsdale Rd
Suite 180
Scottsdale, AZ 85253
480-624-8600 Main
480-991-0518 Fax



Corporate Counsel Mike Abel

1035 W. Queen Creek Rd, Suite 101
Chandler, AZ 85248
480-624-4369 Phone



Arizona's Good Funds Law

ARS 6-834 requires that “escrow agents not disburse money from an escrow account until funds related to the transaction have been deposited and available.” The legislation specifies which forms of payments are acceptable for deposit.

All availability dates are based on funds deposited in our bank, and the days are considered business days. A business day is defined as a calendar day other than Saturday or Sunday, and excludes most major holidays.

SAME DAY

- Cash: Special requirements may need to be met if necessary to accept cash.
- Cashiers, Certified and Tellers Checks
- Electronic Payment/Transfer or Wire: This is the preferred method for receiving funds.

NEXT DAY

- Official Checks: In-State checks drawn on FDIC Insured Institution
- U.S. Treasury Checks
- Postal Money Orders (other Money Orders, see “Fifth Day”)
- Federal Reserve, Federal Credit Union and Federal Home Loan Bank Checks
- State and Local Government Checks: Must be In-State
- Greystone Title Checks**: In State

SECOND DAY - SEE CAUTION *

- Other Checks: Personal, Corporate, Credit Union, Money Market, and Travelers Checks—In State

FIFTH DAY - SEE CAUTION *

- Official Checks: Out-of-State and/or Not Drawn on FDIC-Insured Institution
- Money Orders (except Postal Money Orders—see “Next Day”)
- State and Local Government Checks: Out of State
- Greystone Title Checks**: Out of State, Other
- Other Checks: Personal, Corporate, Credit Union, Money Market, and Travelers Checks—Out of State, Other

FOREIGN CHECKS:

Greystone Title does not accept foreign checks into escrow. 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:

Greystone Title does not accept any third party checks. These include any check drawn on a non-financial institution account, payable to a payee other than Greystone Title and subsequently endorsed to Greystone Title. Exception: United States Treasury checks payable to Farmers Home Administration's borrower, endorsed over to Greystone Title.

* Caution

Due to the length of time it takes to receive notice from the banks on NSF and returned items when disbursing funds from escrow based on a deposit of a personal check, if 10 days have not elapsed from the date funds were deposited, written verification from the customer's bank that the check has paid is required.

** Greystone Title Checks

Next-day availability is dependent on the check being drawn against the same bank or branch as our own depository bank. Both must be located in the same State or check processing region.

Our escrow

What is an Escrow?

An escrow is created after you sign the contract to purchase your new home. It is a process wherein the buyer and the seller deposit funds and documents with an escrow agent who acts as a neutral third party. The escrow agent is a common depository. The buyer and seller can proceed simultaneously by depositing funds, deeds, inspection reports, insurance information and other required documents. Both parties give written instructions with requirements which must be met before the transaction is complete.



How is an Escrow opened?

Once the Seller has accepted your offer and a contract has been completed, your REALTOR® will open the escrow. At this time any earnest money and the contract are placed in escrow. Greystone Title Agency, as a neutral party, can only respond to written instructions mutually agreed on by both interested parties and cannot alter the contract or create instructions.

What happens during the Escrow process?

Greystone Title Agency will begin by researching records on the property. A commitment for title insurance is issued indicating clear title or the description of items that need to be cleared prior to closing. Your escrow officer will then follow the instructions on your contract to coordinate deadlines and gather necessary paperwork.

Closing the Escrow

Once all terms and conditions are met the escrow holder causes the necessary documents to be recorded and disburses funds according to the real estate purchase contract or instructions. Escrow fees are included in these costs and are based on the sale price of the property, the loan amount and services required.

Secu-

in the
escrow
process

The State of Arizona licenses and regulates all escrow companies. The stability, reliability and performance of your title and escrow company are vital to protect the interests of all parties involved in the transaction.

The authority given to an escrow agent is strictly limited by terms and conditions agreed to on the real estate purchase contract or instructions to allocate funds during the escrow period such as real estate commissions, title insurance, liens, recording fees and other closing costs. The real estate purchase contracts also specify the method of collecting funds, proration of insurance and taxes and time limitations on settling the transaction.

Confidentiality is another important aspect of escrow. The agent will discuss escrow matters only with the parties directly involved in the transaction, specifically the buyer, seller, lender and real estate agent. No one else has access to this information except through the proper legal procedures. The escrow officer retains impartiality and confidentiality concerning the real estate process.

Title com-

Explanation of the contents in the Title Commitment you receive from Greystone Title Agency

Schedule A

Your escrow officer submits this information to our Title Department. It contains information given to us by the buyer or the REALTOR® such as the legal description and sale price of the property, loan amount, lender and the name of the buyer and seller.

Schedule B

Schedule B contains “exceptions,” which are items attached to the property such as Covenants, Conditions and Restrictions (CC&Rs), easements, homeowners association regulations, leases and other items on record that transfer with the home. The buyer will receive a clear title, but their rights will be subject to conditions in the listed “exceptions.”

Requirements

In order to provide a clear title to the property, these items need to be deleted or recorded by Greystone Title Agency:

- Any lien(s) on the property
- Assessment(s) owed
- Current property tax status

An identity statement may clear up items that show up against a property when the transaction involves parties who have similar name(s).



buyer's duties during escrow process



■ Greystone Title Agency will ask the buyer for an identity statement to distinguish them from others with similar names that appear in County Records. The information provided is also utilized by your escrow officer.

■ Buyers are responsible for obtaining a home loan. Your REALTOR® may be able to guide you to a lender and assist in the process.

■ Certain documents may require a response from the buyers such as information pertaining to the Homeowners Association, Flood Hazard Disclosure, independent inspections and the Seller's Property Disclosure Statement which lists any problems with the property that the seller is aware of.

■ Greystone Title Agency will give a copy of the title commitment to the buyers, realtors, sellers, and lender for review. Questions should be directed to your escrow officer or REALTOR®.

Ways to take title in

Community Property

Arizona is a community property State. There is a statutory presumption that all property acquired by husband and wife is community property, entitling each spouse to half-interest in the estate. Upon the death of one of the spouses, the deceased spouse's interest will pass by either a will or intestate succession.

Joint Tenants with Right of Survivorship

This is a method of co-ownership that gives title to the real property to the last survivor. Title to real property can be acquired by two or more individuals either married or unmarried. If a married couple acquires title as joint tenants with the right of survivorship, they must specifically accept the joint tenancy to avoid the presumption of community property.

Community Property with Right of Survivorship

A method of holding title between married persons that vests the title to real property in the surviving spouse when same is expressly declared in the deed. This vesting has some tax benefits along with probate avoidance features of "survivorship rights."

Tenants in Common

A method of co-ownership where parties do not have survivorship rights and each owns a specific undivided interest in the entire estate.

Sole and Separate

Real property owned by a spouse before marriage or any acquired after marriage by gift, descent or specific intent. If a married person acquires title as sole and separate property, his/her spouse must execute a Disclaimer Deed.



Corporation

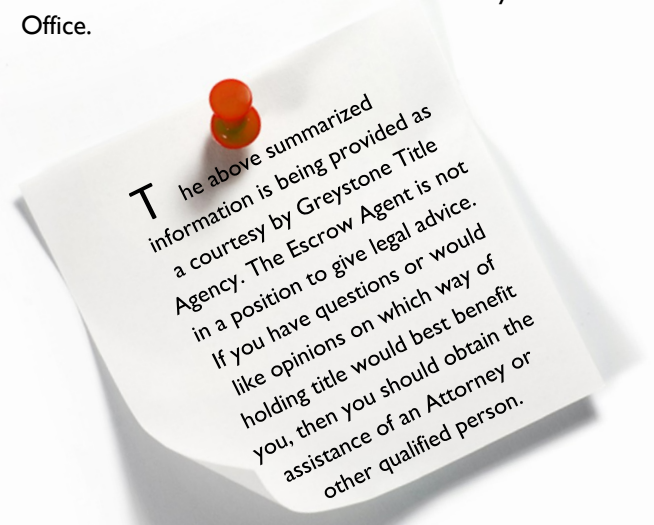
Title may be taken in the name of a corporation provided the corporation is duly formed and in good standing in the State of its incorporation.

General Partnership

Title may be taken in the name of a general partnership duly formed under the laws of the State of the formation of the partnership. A partnership is defined as the voluntary association of two or more persons as co-owners in a business for profit.

Limited Partnership

A partnership formed by two or more persons under the laws of Arizona or another State and having one or more general partners and one or more limited partners. A certificate of limited partnership must be filed in the Office of the Secretary of State and a certified copy of which must be recorded with the County Recorder's Office.





Buying a Home in Arizona as a Foreign Buyer

and how FIRPTA applies!

- **All funds deposited for the escrow must be by wire transfer.**
- **Out of US Wire Transfers / Swift Fee:** International transfers are executed through **SWIFT, Society for Worldwide Interbank Financial Telecommunication**, and there is an additional charge for this type of transfer.
 - The charge is deducted from the wired funds and varies from bank to bank. The charge is typically a flat rate and usually does not exceed \$50.00. We recommend that our clients wire an additional \$50.00 when wiring from outside of the U.S.
- **When a foreign owner Sells their property they could be subject to a 10% (of the Sales Price) withholding unless the transaction is exempt from Foreign Investment In Real Property Tax Act.**
- **Most common exemption: Sales Price is not more than \$300K. The Buyer or a member of their family must have plans to reside at the property for at least 50% of the number of days the property is used by any person during each of the first two twelve month periods after sale.**
- **Other Exemptions that apply are:**
 - Seller to provide a certificate showing seller is not a foreign seller
 - Seller receives a withholding certificate from IRS excusing withholding

If applicable see forms:

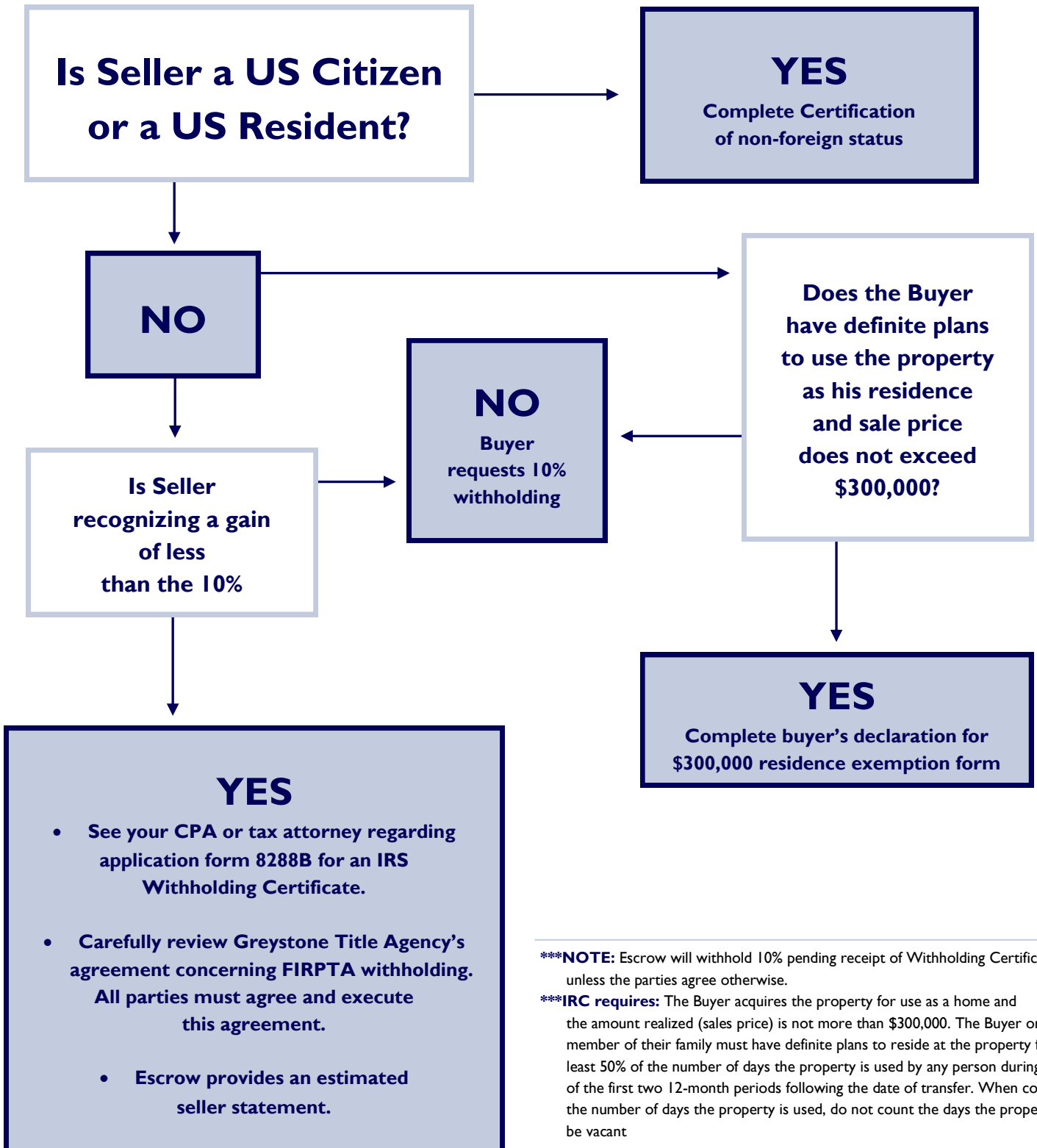
W-7 (application for IRS Individual Taxpayer Identification Number)

8288-B (Application for Withholding Certificate for Dispositions by Foreign Persons of U.S. Real Property Interests)



Foreign Investment In Real Property Tax Act (FIRPTA)

GREYSTONE
TITLE AGENCY



**Application for IRS Individual
Taxpayer Identification Number**

► For use by individuals who are not U.S. citizens or permanent residents.
► See instructions.

OMB No. 1545-0074

An IRS individual taxpayer identification number (ITIN) is for federal tax purposes only.

Before you begin:

- **Do not submit this form** if you have, or are eligible to get, a U.S. social security number (SSN).
- **Getting an ITIN does not change your immigration status or your right to work in the United States and does not make you eligible for the earned income credit.**

Reason you are submitting Form W-7. Read the instructions for the box you check. **Caution:** If you check box **b, c, d, e, f, or g, you must file a tax return with Form W-7 unless you meet one of the exceptions** (see instructions).

- a** ☐ Nonresident alien required to get ITIN to claim tax treaty benefit
- b** ☐ Nonresident alien filing a U.S. tax return
- c** ☐ U.S. resident alien **(based on days present in the United States)** filing a U.S. tax return
- d** ☐ Dependent of U.S. citizen/resident alien } Enter name and SSN/ITIN of U.S. citizen/resident alien (see instructions) ►
- e** ☐ Spouse of U.S. citizen/resident alien }
- f** ☐ Nonresident alien student, professor, or researcher filing a U.S. tax return or claiming an exception
- g** ☐ Dependent/spouse of a nonresident alien holding a U.S. visa
- h** ☐ Other (see instructions) ►

Additional information for **a** and **f**: Enter treaty country ► and treaty article number ►

Name (see instructions) Name at birth if different ►	1a First name	Middle name	Last name
	1b First name	Middle name	Last name

Applicant's mailing address	2 Street address, apartment number, or rural route number. If you have a P.O. box, see separate instructions.
	City or town, state or province, and country. Include ZIP code or postal code where appropriate.

Foreign (non-U.S.) address (if different from above) (see instructions)	3 Street address, apartment number, or rural route number. Do not use a P.O. box number.
	City or town, state or province, and country. Include ZIP code or postal code where appropriate.

Birth information	4 Date of birth (month / day / year)	Country of birth	City and state or province (optional)	5 <input type="checkbox"/> Male <input type="checkbox"/> Female
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Other information	6a Country(ies) of citizenship	6b Foreign tax I.D. number (if any)	6c Type of U.S. visa (if any), number, and expiration date
	6d Identification document(s) submitted (see instructions) <input type="checkbox"/> Passport <input type="checkbox"/> Driver's license/State I.D. <input type="checkbox"/> USCIS documentation <input type="checkbox"/> Other _____ Date of entry into the United States (MM/DD/YYYY) / /		
	Issued by: No.: Exp. date: / /		
	6e Have you previously received a Internal Revenue Service Number (IRSIN) or employer identification number (EIN)? <input type="checkbox"/> No/Do not know. Skip line 6f. <input type="checkbox"/> Yes. Complete line 6f. If more than one, list on a sheet and attach to this form (see instructions).		
	6f Enter: IRSIN or EIN ► and Name under which it was issued ►		
6g Name of college/university or company (see instructions)	City and state Length of stay		

Sign Here Keep a copy for your records.	Under penalties of perjury, I (applicant/delegate/acceptance agent) declare that I have examined this application, including accompanying documentation and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I authorize the IRS to disclose to my acceptance agent returns or return information necessary to resolve matters regarding the assignment of my IRS individual taxpayer identification number (ITIN), including any previously assigned taxpayer identifying number.		
	Signature of applicant (if delegate, see instructions)	Date (month / day / year)	Phone number
	Name of delegate, if applicable (type or print)	Delegate's relationship to applicant <input type="checkbox"/> Parent <input type="checkbox"/> Court-appointed guardian <input type="checkbox"/> Power of Attorney	

Acceptance Agent's Use ONLY	Signature	Date (month / day / year)	Phone
		/ /	Fax
	Name and title (type or print)	Name of company	EIN PTIN Office Code

Form **W-7 (COA)**

(Rev. March 2013)

Department of the Treasury
Internal Revenue Service**Certificate of Accuracy for IRS Individual
Taxpayer Identification Number**▶ See Publication 4520
▶ Form use only by IRS Certifying Acceptance Agents when submitting Form W-7OMB Number
1545-0074**Certificate of Accuracy**

The undersigned _____ is an authorized representative of
_____, a Certifying Acceptance Agent under an agreement entered into with
(CAA Business Name)

the Internal Revenue Service dated ____ / ____ / 20 ____ . The undersigned certifies with regard to Form W-7 submitted for
_____, that the applicant is not eligible for a SSN and has
(Form W-7 Applicant's Name)

provided the documentation checked below that sufficiently supports the applicant's identity and foreign status.

REMINDER: A passport is the only document that proves both "foreign status" and "identity". If a passport is not provided, a combination of two or more documents must be provided to meet the documentation requirements.

Check the box under each category (Identity, Foreign Status) that corresponds to the documents reviewed by you.

Supporting Document	Identity	Foreign Status
Passport (Stand Alone Document)	<input type="checkbox"/>	<input type="checkbox"/>
National Identification Card (<i>must be current and contain name, photograph, address, date of birth and expiration date</i>)	<input type="checkbox"/>	<input type="checkbox"/>
United States Drivers License	<input type="checkbox"/>	
Civil Birth Certificate (<i>Required for applicants under 18 if passport is not provided</i>)	<input type="checkbox"/>	<input type="checkbox"/> *
Medical Records (<i>valid only for dependents under age 6</i>)	<input type="checkbox"/>	<input type="checkbox"/> *
Foreign Drivers License	<input type="checkbox"/>	
United States State Identification Card	<input type="checkbox"/>	
Foreign Voters Registration Card	<input type="checkbox"/>	<input type="checkbox"/>
United States Military Identification Card	<input type="checkbox"/>	
Foreign Military Identification Card	<input type="checkbox"/>	<input type="checkbox"/>
School Records (<i>valid only for dependents under age 14 (under age 18 if a student)</i>)	<input type="checkbox"/>	<input type="checkbox"/> *
Visa issued by United States Department of State	<input type="checkbox"/>	<input type="checkbox"/>
United States Citizenship and Immigration Services (USCIS) Photo Identification	<input type="checkbox"/>	<input type="checkbox"/>

*May be used to establish "foreign status" only if the documents are foreign.

Check and complete the following paragraph only if the applicant is applying for an ITIN under "Exception 1(a) - Partnership Interest".

- ☐ The undersigned further certifies that the Applicant has provided a copy of the relevant pages of the Partnership Agreement of _____ and
(Name of Partnership)
EIN _____ as documentation in support of meeting the requirements for Exception 1(a).

The undersigned further certifies that the documentation was reviewed in accordance with the procedures set forth in the Acceptance Agent Agreement and is authentic, complete, and accurate based on the information and documentation submitted by the applicant.

The Certifying Acceptance Agent shall retain copies of all relevant documents including signed copies of the Forms W-7 submitted to the IRS on behalf of the applicant upon which the Certifying Acceptance Agent has relied upon to certify the applicant's foreign status and identity.

(Signature of Authorized Representative)

(Date signed)

Acceptance Agent EIN

Acceptance Agent Office Code

Acceptance Agent PTIN

Catalog Number 56020G

www.irs.gov

Form **W-7 (COA)** (Rev. 3-2013)

**Application for Withholding Certificate for Dispositions
by Foreign Persons of U.S. Real Property Interests**

OMB No. 1545-1060

► Please type or print.

1 Name of transferor (attach additional sheets if more than one transferor)		Identification number
Street address, apt. or suite no., or rural route. Do not use a P.O. box.		
City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.		
2 Name of transferee (attach additional sheets if more than one transferee)		Identification number
Street address, apt. or suite no., or rural route. Do not use a P.O. box.		
City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.		
3 Applicant is: Transferor <input type="checkbox"/> Transferee <input type="checkbox"/>		
4a Name of withholding agent (see instructions)		b Identification number
c Name of estate, trust, or entity (if applicable)		d Identification number
5 Address where you want withholding certificate sent (street address, apt. or suite no., P.O. box, or rural route number)		Phone number (optional)
City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.		
6 Description of U.S. real property transaction:		
a Date of transfer (month, day, year) (see inst.)		b Contract price \$
c Type of interest transferred: <input type="checkbox"/> Real property <input type="checkbox"/> Associated personal property		
<input type="checkbox"/> Domestic U.S. real property holding corporation		
d Use of property at time of sale: <input type="checkbox"/> Rental or commercial <input type="checkbox"/> Personal <input type="checkbox"/> Other (attach explanation)		
e Adjusted basis \$		
f Location and general description of property (for a real property interest), description (for associated personal property), or the class or type and amount of the interest (for an interest in a U.S. real property holding corporation). See instructions.		
g For the 3 preceding tax years:		
(1) Were U.S. income tax returns filed relating to the U.S. real property interest? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," when and where were those returns filed? ►		
(2) Were U.S. income taxes paid relating to the U.S. real property interest? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the amount of tax paid for each year ►		
7 Check the box to indicate the reason a withholding certificate should be issued. See the instructions for information that must be attached to Form 8288-B.		
a <input type="checkbox"/> The transferor is exempt from U.S. tax or nonrecognition treatment applies.		
b <input type="checkbox"/> The transferor's maximum tax liability is less than the tax required to be withheld.		
c <input type="checkbox"/> The special installment sales rules described in section 7 of Rev. Proc. 2000-35 allow reduced withholding.		
8 Does the transferor have any unsatisfied withholding liability under section 1445? <input type="checkbox"/> Yes <input type="checkbox"/> No See the instructions for information required to be attached.		
9 Is this application for a withholding certificate made under section 1445(e)? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," check the applicable box in a and the applicable box in b below.		
a Type of transaction: <input type="checkbox"/> 1445(e)(1) <input type="checkbox"/> 1445(e)(2) <input type="checkbox"/> 1445(e)(3) <input type="checkbox"/> 1445(e)(5) <input type="checkbox"/> 1445(e)(6)		
b Applicant is: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Other person required to withhold. Specify your title (e.g., trustee) ►		

Under penalties of perjury, I declare that I have examined this application and accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature	Title (if applicable)	Date
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For Privacy Act and Paperwork Reduction Act Notice, see the instructions. Cat. No. 10128Z Form **8288-B** (Rev. 8-2013)