

HOMEOWNER PAYMENT ACCOUNTING FORM

INSTRUCTIONS

*(As required by the Home Equity Theft Prevention Act, New York State Real Property Law, Section 265-a(11)(d))
(See Statute for more information)*

Summary of Payment Requirements:

Within 120 days of either the eviction or voluntary relinquishment of possession of the residence by the Equity Seller, the Equity Purchaser must provide the homeowner (Equity Seller) with cash payments or consideration of at least 82% of the fair market value of the property. The Equity Purchaser also must make a detailed accounting of the basis for the payment amount, or a lack thereof, to the homeowner on this form and include written documentation of expenses.

The Fair Market Value of the property is to be determined at the time specified in the reconveyance agreement. This can be either at the time of execution of the reconveyance arrangement or at the time of resale to an “unaffiliated” third party (bona fide purchaser). If the resale of the property is not completed within 120 days of the eviction or voluntary relinquishment of the property by the Equity Seller, the fair market value is to be determined by an appraisal conducted within 10 days of the end of the 120 day period.

The following are instructions regarding filling out various items on the Homeowner Payment Accounting Form:

- **Name and Address of Equity Purchaser:** The Equity Purchaser is the person who has acquired the property as the result of a reconveyance agreement.
- **Name and Address of “Unaffiliated” Buyer:** The Buyer is an “unaffiliated” third party who is purchasing the property from the Equity Purchaser.

Please note that you *must* attach adequate supporting documents to verify the amounts listed on each line.

- **Line A1:** Enter the Fair Market Value (and date of such value) as determined by an Appraiser licensed in New York State or licensed/certified by an agency of the federal government. **Attach the appraisal.**
- **Line A2:** Enter the resale price of the bona fide market sale of the subject property to an unaffiliated third party. **Attach a copy of the executed sales contract.**
- **Line B:** Calculate 82% of the Fair Market Value as determined on line A1 or A2.
- **Line C1:** If the Equity Seller agreed to pay rent to the Equity Purchaser, and the homeowner failed to make these payments, enter the amount due up to the date of eviction or voluntary relinquishment on this line. **Attach supporting documents that show the homeowner’s agreement to pay rent.**
- **Line C2:** Enter the amount of third-party costs necessary to complete the reconveyance of property. The costs paid must bear a reasonable relationship to the market value of the goods/services provided as required by the Real Estate Settlement Procedures Act and its implementing regulations. **Attach the HUD-1 Settlement Statement.**
- **Line C3:** Enter the amount paid to satisfy a debt or legal obligation of the Equity Seller such as mortgages or liens. **Attach payoff statements and copies of checks. Include satisfactions if available.**

- Line C4: Enter the amount of the reasonable costs of repairs for damage to the dwelling caused by the Equity Seller beyond ordinary wear and tear. **Explain the nature and need for the repair and provide copies of the receipts for the repairs.**
- Line C5: Total lines C1, C2, C3, and C4. This is the total amount of consideration paid on behalf of the Equity Seller.

Note: The amounts listed in Section C of this form shall **not** include amounts imputed as any fee paid directly or indirectly to the Equity Purchaser, or his or her representative, incident to a reconveyance arrangement, except for reasonable costs paid to third parties necessary to complete the reconveyance.

- Line D: A consideration payment directly to the Equity Seller is required if line B is greater than line C5. This payment shall be made to the Equity Seller within 120 days of the eviction or voluntary relinquishment of the property by the Equity Seller and within 15 days of resale of the property.