



**INSTRUCTIONS:** Section A , B and C, must be completed and signed on ALL Escrows involving a sale/transfer

Order # \_\_\_\_\_

**FOREIGN INVESTMENT IN REAL PROPERTY ACT AFFIDAVIT**

**NOTICE REGARDING "FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT,"  
SEC 1445, INTERNAL REVENUE CODE**

**A** Effective January 1, 1985, Section 1445 of the Internal Revenue Code requires that every Buyer of real property from a foreign Seller withhold ten percent of the gross purchase price and transmit that sum to the Internal Revenue Service for application against the Seller's tax liability.

Certain exceptions may apply, such as the purchase by a buyer of property acquired for use as the buyer's residence and the amount paid is \$300,000.00 or less. Also, the Buyer may rely on an affidavit from the Seller as shown below, subject to certain limitations.

If withholding is required, and the Buyer fails to make the necessary withholding. FIRPTA states that the Buyer shall be responsible for the payment.

Freedom Title Corporation is not authorized by law to advise you on this tax matter. We suggest that you consult with your attorney or tax advisor.

This form must be signed and returned by each named Buyer and Seller, or by an authorized agent for each named Buyer and Seller.

\_\_\_\_\_  
(Buyer)

\_\_\_\_\_  
(Seller)

\_\_\_\_\_  
(Buyer)

\_\_\_\_\_  
(Seller)

**B**

**CERTIFICATION OF NONFOREIGN STATUS  
(CORPORATION, PARTNERSHIP, TRANSFEROR ESTATE)**

The undersigned, after being duly sworn on oath, affirm as follows:

(A) I (we) am (are) the authorized agent of the below described (corporation) (partnership) (trust) (estate), and have been empowered to make this affidavit in (its) (their) behalf.

(B) It is not a foreign, and/or non-resident alien (corporation) (partnership) (trust) (estate), as such terms are defined in the United States Internal Revenue Code and applicable regulations.

(C) Its (their) United States tax identifying number is:

\_\_\_\_\_

(D) Its (their) headquarters office is located at:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I (we) understand, acknowledge and agree that this affirmation may be disclosed to the Internal Revenue Service by the captioned persons and/or by the grantee(s) of the relevant realty; and that any false statement I (we) have made herein could be punished by fine and/or imprisonment.

\_\_\_\_\_  
(Seal) By \_\_\_\_\_

**Notes:** To be utilized in all sale - purchase transactions of \$300,000.00 or above.

Failure to submit a properly completed form shall require Freedom Title Corporation to withhold an amount equal to ten percent (10 %) of the price.

**C**

**INSTRUCTIONS REGARDING THE WITHHOLDING OF TAX ON  
DISPOSITION OF UNITED STATES REAL PROPERTY INTERESTS**

You have informed us that effective January 1, 1985, the Internal Revenue Code was amended by adding new section 1445 which requires the transferee to deduct and withhold tax equal to 10 percent of the amount realized on the disposition of a United States Real Property Interest by a foreign person; that the transaction that is the subject matter of this escrow may fall within the requirements of section 1445; and that we should independently contact our lawyer or tax advisor to determine how to proceed under the circumstances.

We have elected to deal with the applicability or non-applicability of section 1445 outside of the escrow, and therefore instruct you that you should not concern yourself with the application of section 1445 to this transaction.

\_\_\_\_\_  
(Buyer)

\_\_\_\_\_  
(Seller)

\_\_\_\_\_  
(Buyer)

\_\_\_\_\_  
(Seller)