



INSTRUCTIONS: Section A and EITHER Section B, C, or D (as applicable) must be completed and signed on ALL Escrows involving a sale/transfer

ESCROW NO.:

**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)

**CERTIFICATION OF NONFOREIGN STATUS
(Individual)**

B

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding of tax is not required upon my disposition of a U.S. real property interest, I, _____ certify the following:

1. I am not a nonresident alien for purposes of U.S. income taxation.
2. My U.S. taxpayer identifying number is _____ (Social Security Number); and
3. My home address is _____.

I understand that the certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete.

Dated: _____

(Signature of Seller)

(Signature of Seller)

**CERTIFICATION OF NONFOREIGN STATUS
(Corporation, Partnership, Transferor Estate)**

C

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by _____ (name of transferor), the undersigned hereby certifies that the following on behalf of _____ (name of transferor) :

1. _____ (name of transferor) is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. _____ (name of transferor)'s U.S. employer identification number is _____, and
3. _____ (name of transferor)'s office address is _____ understands that his certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of _____ (name of transferor).

Dated: _____

(Signature)

(Title)

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

D

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 nonapplicability 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)