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The Broker Escrow Interest Sweep Program

Q. What is the Oklahoma Housing Foundation (OHF) Broker Escrow Interest Sweep Program?

A. This convenient *Broker only* program is a great way for Brokers to contribute to OHF with no out of pocket expense. Funds which are placed in a Broker's escrow account for buyers and sellers such as earnest money are placed in an interest bearing deposit account. The interest from this account is then "swept" into the OHF account at the time it is accrued.

Q. How does a REALTOR® participate?

A. A simple form is completed and mailed by you to OHF providing the name of your financial institution and your account number(s) with a signature from the principal broker.

Q. What happens then?

A. The OHF office forwards the form to your financial institution with a cover letter advising the bank to establish the account with the OHF as beneficiary of the interest only. You receive a copy of the correspondence.

Q. How are the OREC requirements complied with when the Broker establishes an interest bearing escrow account with interest paid to the OHF?

A. Under the Oklahoma Real Estate Commission's (OREC) Uniform Contract of Sale of Real Estate Form the OHF is recognized as the sole beneficiary of interest that accrues on earnest money received during the transaction. (See #2 under the Oklahoma Uniform Contract of Sale of Real Estate) The Uniform Contract itself provides all the disclosure required by the OREC. The Broker does not need to do any additional disclosures if using the uniform contract.

Q. What if my bank doesn't want to participate or has questions?

A. Contact Beth Payne, Oklahoma Association of REALTORS®, 800.375.9944. OHF staff will visit personally with your bank to overcome any questions or problems that might be encountered.

Q. What additional bookkeeping is required?

A. None. You will receive a report of the interest that was earned and what was 'swept' into the OHF account from your bank.

Q. What are the tax benefits of the program?

A. Because no income is received by the Broker, there is no tax benefit to using the Broker Escrow Interest Sweep Program. There is also no tax liability either to you or your customer/client.

Q. Why participate?

A. The monies received through this program by the OHF will be used to provide down-payment assistance to low income first time Oklahoma home buyers and through support of other non-profits who's mission is to help Oklahoma homeowners. By helping more Oklahoman's enter the housing market, OHF is creating stronger communities which benefit all aspects of the state's economy.