

PAYOFF LETTER

Date:

[TO NOTEHOLDER]

RE: BORROWER:
 LOAN #:
 PROPERTY:
 DEED OF TRUST LIEN: [Book, page and registry]

Ladies and Gentlemen:

[If a wire transfer]

Pursuant to the attached payoff statement, pursuant to N.C.G.S. 45-36.8(b), a wire transfer in the amount of \$ _____ has been initiated to your account before _____ PM today, based on your wiring instructions. This wire represents payment on the account of the loan, to be applied toward satisfaction of the deed of trust lien, above referenced. *Please call to confirm your receipt as soon as possible. Please contact me immediately if for any reason you have been unable to confirm receipt of the funds by _____ this morning so that we can assure we make your cutoff time!*

[If a check]

Pursuant to the attached payoff statement, pursuant to N.C.G.S. 45-36.8(b), enclosed is our check in the amount of \$ _____, representing payment on the account of the above referenced loan, to be applied toward satisfaction of the deed of trust lien, above referenced.

[If this is payoff of an equity line account, include the following language:]

For Equity Line satisfactions:

THIS PAYMENT IS NOT TO BE CONSTRUED AS A PAYDOWN OF THIS ACCOUNT. THE ACCOUNT IS TO BE CLOSED AND TERMINATED, PURSUANT TO N.C.G.S. 45-81. No more checks or drafts should be honored. Please IMMEDIATELY acknowledge receipt of payment and your acceptance as satisfaction in full, by returning the enclosed copy of this letter in the envelope provided for your convenience, subject to the above check being honored and clearing our firm's trust account.

Pursuant to Section 45-81(c) of the North Carolina General Statutes, we the undersigned Owner(s) of the property described in the deed of trust securing the equity line loan above referenced, hereby request that, IMMEDIATELY UPON RECEIPT OF PAYMENT TENDERED BELOW, YOU SHOULD CLOSE THIS ACCOUNT AND HONOR NO FURTHER ADVANCES. We have not written further checks, drafts or draws from the equity line account and will not do so in the future. We hereby agree to indemnify and hold harmless your bank, the undersigned closing attorney, any new purchaser of the property, any new lender accepting the property as security for their loan and any title insurer providing coverage on the basis of this payoff and intended cancellation of said lien, including but not limited to any loss as a result of this equity line account being used subsequent to the date of this notice and/or for checks/drafts being honored subsequent to the date upon which I/we state the account was last used by me/us.

(Obligor / Owner of Property)

(Obligor / Owner of Property)

[Lender]

[Date]

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Application of payment is mandatory:

Even if you believe that this amount is insufficient, please deposit the amount immediately and apply to the credit of the account and contact my office with specific itemization and explanation of the shortage amount claimed. Please note that pursuant to N.C.G.S. 24-2.4, you are required to accept and apply prepayments unless the loan documents specifically provide otherwise. That statute provides that “[a] borrower may prepay a loan in whole or in part without penalty where the loan instrument does not explicitly state the borrower's rights with respect to prepayment or where the provisions for prepayment are not in accordance with law. “

Since this payoff is based on a written payoff statement from your office (attached), please advise ***IMMEDIATELY*** of any claimed changes that have caused any difference in your payoff calculations, if you believe that they justify your failure to satisfy the lien timely. NOTE, however, N.C.G.S. 45-36.9 requires that you satisfy the lien of record even if insufficient so long as the payoff complies with the written payoff statement which you provided. Any indefinite or unreasonable provisions or conditions in your payoff statement are not authorized by North Carolina law. N.C.G.S. 45-36.7(g). Any other conditions must have been specifically specified in the payoff statement which must have contained specific contact information to obtain a final payoff amount if any changes prior to closing were anticipated.

Satisfaction Mandatory; Procedures Required by North Carolina Statute:

Pursuant to N.C.G.S. 45-36.9, you are required to record a satisfaction of this deed of trust within 30 days of receipt of these funds so long as the funds submitted comply with your written payoff statement (attached), even if erroneous. You are subject to penalty of \$1,000 plus actual loss, court costs and attorney's fees if this is not satisfied of record timely. N.C.G.S. 45-36.9. The most common satisfaction methods are as follows, pursuant to N.C.G.S. 45-37(a):

- (a) Record the *original* Note and Deed of Trust marked “Paid and satisfied in full”, dated and signed by an officer of the holder. Any assignments of the note must clearly be shown on the note and signed by the assignor(s).
- (b) Record a properly executed and acknowledged Satisfaction of Security Instrument by Secured Creditor, pursuant to N.C.G.S. 45-36.10.

Under no circumstances should you send original documents to the Borrower until these documents have been satisfied of record.

Escrow accounts:

If there are any escrow balances or overpayments, please refund directly to:

[borrower's new address]

Thank you very much for your assistance and immediate attention to this matter.

Yours very truly,

[Name-Closing Attorney]

[Title]

Encl: Lender's Payoff Statement
Satisfaction of Security Instrument by Secured Creditor
Copy of this letter signed by borrower (if equity line)