
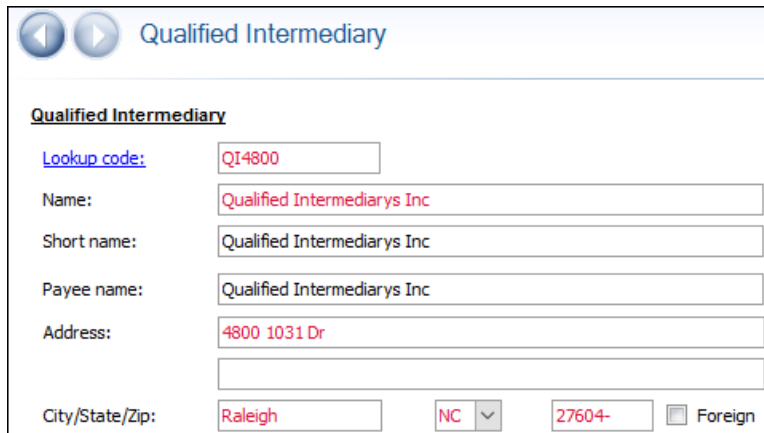


1031 EXCHANGE SETUP CDF

Follow these steps to prepare a 1031 Exchange, including: adding the Exchange Company; updating the signature details, editing CDF Page 1 and/or Closing Statement; and setting the feature to automatically adjust diverted proceeds.

Order Contact Screen

1. Click the **Add Contact**  icon
2. Select **Qualified Intermediary** (which is the Exchange Company)
3. Add the appropriate Exchange Company from the lookup table



Qualified Intermediary

Qualified Intermediary

Lookup code:

Name:

Short name:

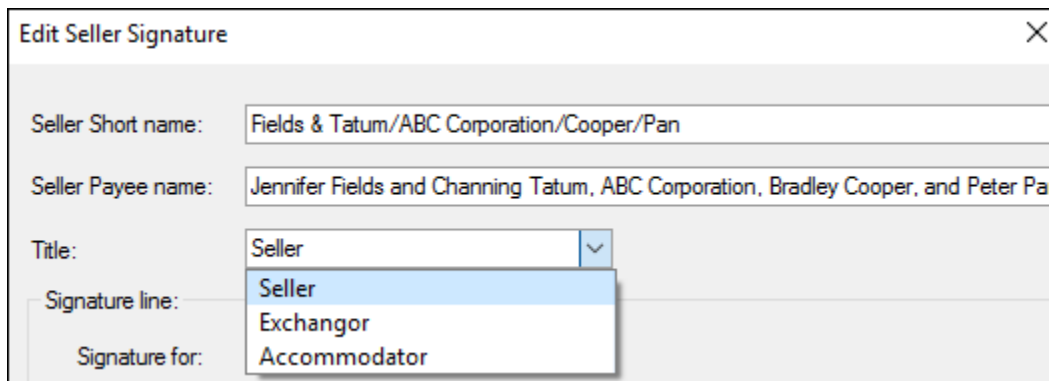
Payee name:

Address:

City/State/Zip: Foreign

Updating Signature

4. Navigate to the **Seller** screen
5. Click the **Edit Signature** button
6. In the **Title** drop-down, select **Exchanger** (this updates the heading on the signature lines and some documents)



Edit Seller Signature ✕

Seller Short name:

Seller Payee name:

Title:

Signature line:

Signature for:

Updating the CDF Page 1/Closing Statement Header

7. Navigate to the **CDF Page 1** screen
8. In the **Name and Address** of the party who is using the 1031 ... field, replace the default name and address with the Exchange Company's
9. Click the **OK** button

Setting the CDF to Automatically Divert 1031 Proceeds

As you prepare the CDF/Closing Statement, you must send the proceeds to the Exchange Company. By diverting the proceeds, the bottom line amount will automatically adjust. You must also indicate that Property and/or Services have been received in this transaction.

10. In the **Escrow/Closing** screen, open the **Seller Proceeds & 1099-S** screen

11. In the **Divert seller proceeds to** line drop-down, select a Section N or Section H line on your CDF
12. Select the **Property Services Received** check box

Name	Continuation of Name	Percentage of Total	Cash to Seller	1099-S Proceeds	Buyer's Part of Real Estate Tax	Property Services Received	Foreign Person
Fields, Jennifer	Tatum, Channing	25.00000	0.00	\$125,000.00	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
▶ ABC Corporation		25.00000	0.00	\$125,000.00	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cooper, Bradley		25.00000	0.00	\$125,000.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Pan, Peter		25.00000	0.00	\$125,000.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>

Navigate to the section of the CDF that you diverted the fees to (in this case the line was in Section N.)

13. In the line you selected to divert proceeds,
 - a. **Description:** Seller Proceeds
 - b. **To:** Q for Qualified Intermediary Contact

N. Due from Seller at Closing		\$500,000.00		
	Description	Re	To	Seller
01	Excess Deposit			
02	Closing Costs Paid at Closing (J)			\$30,250.00
03	Existing Loan(s) Assumed or Taken Subject to			
04	Payoff of First Mortgage Loan		P	
05	Payoff of Second Mortgage Loan			
06	Seller Proceeds		Q	\$469,750.00
07				

Drawing Documents

- FIRST:** Draw all appropriate documents that require **ONLY** the Buyer/Seller's signature (i.e. deeds)
- SECOND:** When you are ready to draw all other documents that require **BOTH** the Buyer/Seller and Exchange Company's signatures including the CDF, proceed with the next step.

14. Navigate to the **Seller** screen (the contact with Exchange Company)
15. Click the **Edit Signature** button

16. Edit the signature, as necessary, to reflect the Exchange Company and/or Buyer/Seller