



# SHAKER HEIGHTS

## POINT OF SALE INSPECTION AND ESCROW REQUIREMENTS

Building & Housing Department

(216) 491-1471

- An **owner** of any residential real estate must obtain a Certificate of Inspection or Certificate of Compliance prior to entering into any agreement to sell or transfer an interest in their property. This requirement does not apply to vacant lots.
- The **Seller** applies online for a “*Point of Sale Application*” and pay the applicable fee. **Application Fees:** \$150 for a Condominium unit; \$200 for a Single-family dwelling; \$300 for a Two-family dwelling; \$200 for 1<sup>st</sup> Apartment unit, \$50 for each additional unit.
- The **Seller** must schedule an appointment for an inspection with the **Building & Housing Department**.
- The **Seller** will be mailed a “*Certificate of Inspection (Point of Sale)*” report or a “*Certificate of Compliance*” report by the **City** after inspection. A POS inspection is valid for the purpose of transfer for 24 months from the original inspection date.
- The **Seller** must provide the Certificate to the **Buyer**.
- The **Seller has two options** if a *Certificate of Inspection* is received:
  - Correct all violations and receive a “*Certificate of Compliance*” showing full compliance.
  - If violations remain uncorrected at the time of title transfer, Buyer must establish a Point of Sale (POS) Escrow Account.
- The **Seller** must correct violations if property fails to transfer within 90 days after the Certificate is issued. The City may grant an extension of time if requested provided that significant progress has been made.
- If the **Seller** wants re-inspections of the property prior to sale, *a re-inspection fee of \$25 will be charged for each requested re-inspection after the first two requested re-inspections.*
- If all violations are not corrected prior to transfer of title, the buyer shall establish an escrow account with the City and funds, in an amount not less than \$100.00 and equal to 150% of the estimated cost of repairs, shall be deposited therein to pay for the cost to correct all remaining violations. The following forms must be submitted when applying for an escrow account: an original signed W-9 form; and a copy of a Driver’s License (if an individual), or Articles of Incorporation and proof of registration with the Ohio Secretary of State (if an entity).
- Within three (3) days after transfer of title, a check must be submitted and made payable to **City of Shaker Heights** in the amount approved by the City (i.e. 150% of the estimated cost to correct the violations).
- The **Seller or Buyer** must obtain a written estimate from a contractor registered with the City to correct the remaining violations (contractor list available from the City’s Building & Housing Department and on City’s website: [www.shakerheightsoh.gov](http://www.shakerheightsoh.gov)).
- The **written estimate** must be “itemized” for each violation and the repair cost must reflect current market rates for labor and materials, and follow National Construction Standard guidelines. All estimates must be rounded off to the nearest dollar and submitted on the Point of Sale violation report along with a copy of the contractor’s letterhead. Estimates will be rejected if itemized cost does not equal total cost submitted. The written estimate must be submitted to the Building & Housing Department, and will be approved or denied within 3-5 days.

- The total estimate from the **registered contractor** will be multiplied by 150% to determine the amount required to be held in a POS Escrow Account.
- Upon **approval of the escrow amount**, the City will notify the parties or the identified escrow agent for the transaction.
- The **Buyer** must apply online for an “Escrow Account Agreement”.
- The escrow agent for the transaction, or Buyer, must then send to the City a preliminary **HUD 1 or other Closing Settlement Statement** demonstrating that the approved POS escrow funds will be available to be deposited by the City of Shaker Heights into a non-interest bearing POS Escrow Account upon title transfer.
- Prior to transfer of the property, the **Housing Commissioner** must have issued a “Transfer Release Letter,” which will be issued only after receipt by the City of all of the following documents:
  - A preliminary **HUD 1 or other Closing Settlement Statement**;
  - An application for an “**Escrow Account Agreement**”;
  - An **original signed W-9 form**;
  - A copy of the **driver’s license** of the person opening the escrow account (if individual), or
  - A copy of **incorporation documents** (if an entity); must be registered with the Ohio Secretary of State;
  - The **social security number** of the person opening the account (if individual), or
  - The **tax ID number** of the entity opening the escrow account.
- Within 3 days after transfer of the property, a **check made payable to City of Shaker Heights** in the amount approved by the City must be provided to the **City’s Building & Housing Department**.
- **Disbursements** must be requested online by the original applicant that setup the account by completing a “Disbursement Request” application. Note: disbursements may take up to **21 business days** to be received. Account Holders will be charged **\$15 per check** issued for disbursement of funds, which will be deducted from the account balance.
- Partial release of funds from escrow may be permitted provided substantial progress has been made in correcting the violations and that sufficient funds remain in escrow to correct all remaining violations. Partial disbursements will be made in accordance with the below schedule:

Escrow Hold Amount	Number of Partial Disbursements
\$0 - \$2,000	0
\$2,001 - \$5,000	1
\$5,001 - \$20,000	2
\$20,001 - \$40,000	3
\$40,001 - \$60,000	4
\$60,001+	5

- Funds shall be disbursed to the Account Holder at the address provided on the Disbursement Request application.

For more information contact:

Building & Housing Department, City of Shaker Heights  
 3400 Lee Road, Shaker Heights, Ohio 44120  
 Telephone: (216) 491-1471; Email: [housing.insp@shakerheightsoh.gov](mailto:housing.insp@shakerheightsoh.gov)

Any person, including any Seller and Buyer, violating any provision of Chapter 1415 of the Shaker Heights Codified Ordinances may be prosecuted. Violations of Chapter 1415 are first degree misdemeanors punishable by up to 6 months in jail and/or a fine of up to \$1,000.

*Note: references to Seller and Buyer include their authorized agents. Revised 6-16-22*