**Section 1260.110 Documents Evidencing the Title and Encumbrances**

The application shall include, as exhibits, documents evidencing the state of the title, including, without limitation, all encumbrances, easements, restrictions, conditions and liens.

a) Escrow Accounts – All escrow or other depository accounts required by the Act are to be in the control of a disinterested third party. The escrow account is to be held in a federally insured depository in the State of Illinois or the state in which the subdivision is located. The escrow agreement must be submitted to the Division for approval.

b) Subordination of Blanket Encumbrances – To satisfy the requirements of Section 10-20(4) of the Act, the subordination clause of the blanket encumbrance must inure to the benefit of the individual lot purchasers and be legally sufficient to protect the rights of individual lot purchasers in the event of default by the mortgagor.

c) Release Clauses – Lots must be released on a random basis at no cost to the individual lot purchaser other than obligations of the purchaser stated in the contract.

(Source: Amended at 35 Ill. Reg. 11407, effective June 28, 2011)