

**BANK ACCOUNT SET-UP PROCEDURE**  
**for**  
**CARHOF**

The premise behind the Colorado Association of Realtors Housing Opportunity Foundation (CARHOF) is that interest can be earned on real estate trust accounts in Colorado if the money is used for affordable housing projects in the State in a manner approved by the Colorado Real Estate Commission. CARHOF was set up to provide a vehicle for funding of community-based affordable housing projects from trust account interest.

For the convenience of the financial institutions, the bank enrollment and reporting procedures have been set up in a similar manner to the attorneys' foundation (COLTAF) with which most banks are familiar. *Unlike COLTAF, CARHOF is completely voluntary.*

In order to qualify, both the Realtor who owns the trust account and the bank where the account is maintained must agree to participate by filling out the appropriate enrollment forms. The name of the account at the bank should be changed to indicate that CARHOF is an "interest beneficiary only" (IBO) and CARHOF's federal tax identification number (**84-1152732**) should be used on the account for reporting interest.

**Example:**

The account:

The Cottage Realty  
K Cook Brkr/Sales Trust Acct  
PO Box 1020  
Berthoud, CO 80513  
Cottage Tax ID#

Became:

**CARHOF(IBO)**Cottage Realty  
K Cook Brkr/Sales Trust Acct  
PO Box 1020  
Berthoud, CO 80513  
**84-1152732** (CARHOF tax#)

And:

The Cottage Realty  
K Cook Brkr/Sec Dep Trust  
PO Box 1020  
Berthoud, CO 80513  
Cottage Tax ID#

Became:

**CARHOF(IBO)**Cottage Realty  
K Cook Brkr/Sec Dep Trust  
PO Box 1020  
Berthoud, CO 80513  
**84-1152732** (CARHOF tax#)

If it is more convenient for the bank, the name of the office can appear first, with "CARHOF(IBO)" on the second line. Headings for signature cards and any other customer account agreements are changed in a like manner except that abbreviations are not used. At most banks, new signature cards are signed, but the account numbers and the other commission required information on checks and deposits does not change. The bank also requires a letter to be submitted by the broker stating that the bank can charge the account for interest earned to the benefit of CARHOF. These charges are deducted from the interest earned on the account. Finally, a new Notice of Trustee or Escrow Account (pursuant to C.R.S. 1973, 12-61-103[7]) is issued for the changed accounts which is signed by the broker and then delivered to and acknowledged by the bank. This notice is found in Chapter 18 of the Colorado Real Estate Manual.