

WHAT DOES ESCROW DO?

Escrow is the neutral third party that acts as the depository for documents and money in a real estate transaction.

Upon request, escrow provides copies of the real estate purchase contract, earnest money deposit and escrow instructions to the lender at the beginning of the transaction. Additional items may be estimated closing statements, copies of trusts, homeowners' association information and evidence of insurance.

Escrow provides the title company with the buyers' and sellers' completed statements of information and items specified in the preliminary title report as needed to clear title. The title officer reviews them and may request additional items.

Escrow creates the estimated and final closing statements, which are an accounting of the real estate transaction.

Escrow receives, prints and reviews the loan documents, specifically the lender's instructions. A member of our staff will prepare the estimated closing statements and arrange the signing of these and other documents with a notary public. Once signed and returned to our office, we then assist the lender in compiling funding conditions. Escrow is then notified by the buyer's lender when they are ready to release loan funds.

When all conditions of the escrow have been met, including receipt of all necessary and cleared funds, we then notify the title company to release the documents for recording. Upon confirmation of recording, escrow completes the prorations and costs in order to reconcile/balance all funds to be disbursed. The final settlement statements and seller's Closing Disclosure are prepared by escrow.



Some things escrow cannot do or take responsibility for:

- » Process the buyer's loan
- » Issue or underwrite the title insurance
- » Make decisions on the items provided to title and the lender
- » Give tax or legal advice
- » Mediate or arbitrate disagreements between the parties
- » Prepare unilateral amendments or instructions without other parties' knowledge or approval
- » Take verbal instructions
- » Order inspections, appraisals and reports (this includes Home Warranty, Zone Disclosures, etc.)
- » Order repairs to be made
- » Obtain signatures on disclosures provided by the real estate agents
- » Give advice regarding vesting or taking title to the property
- » Monitor the contingency period or obtain contingency removal
- » Guarantee the correctness or completeness of homeowners' association documents ordered on behalf of the seller
- » Delivery of keys to property



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