

LAWYERS LINK



TIPS FOR A SMOOTH ESCROW EXPERIENCE

Buyers and sellers of a piece of property establish terms and conditions to the transfer of ownership of the property. These terms and conditions are given to a third party known as the escrow holder. In turn, the escrow holder has the responsibility of seeing that the terms of the escrow are carried out. The escrow is an independent neutral account and the vehicle by which the mutual instructions of all parties to the transaction are complied with. The basic

concept is to ensure that both the buyer and seller are protected during any real property transaction.

The average real estate escrow process can take between 30 to 60 days to complete. The coordination of all the moving pieces of the process can make or break your closing – so preparation and communication is key. On the next page are important tips that lead to a stress-free escrow.

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Listing agent provides:

The more complete the information is upfront, the better the process will be.

- Complete property address.
- Full names (initials are not enough), contact info, and marital status of all sellers and buyers.
- Type of property (rental or owner-occupied).
- Names of any existing mortgage companies, including all lien holders and private parties, to be paid off at closing. Include the company name, loan number, address, telephone number, and approximate unpaid balance.
- Homeowners Association name, and the name and phone number of the management company.
- Appropriate information and reports, such as termite report and/or completion, home protection invoice, natural hazard report invoices, etc..
- Sellers are required to provide the Statement of Information to their escrow holder within 7 days of acceptance of the contract.

Buyer's agent provides:

- Full names of all buyers (initials are not enough), their contact information, and marital status.
- How the buyer wants to take title.
- New lender information.
- Fire/hazard insurance information for new policy or existing policy.

After escrow is opened:

- All parties should stay local and accessible. Check voicemail and email regularly during the escrow process and respond in a timely manner.
- When calling the escrow officer, have the escrow number and buyer/seller's names handy.
- Keep the escrow officer informed on any matters that may affect the transaction.
- Direct client questions to the proper representative:
 - **Real Estate Agent:** Physical aspects of the property, conflicts, and terms of sale.
 - **Lender:** Loan terms, credit report issues, etc..
 - **Escrow Officer:** Escrow instructions, documents, and forms to be completed.

When escrow closes, celebrate another successful transaction!



MONTHLY INDUSTRY TERMS

Closing (also called "settlement")

The completion of a real estate transfer, where the title passes from seller to buyer, or a mortgage lien is given to secure debt.

Lien

A claim upon a piece of property for the payment or satisfaction of a debt or obligation.

Trustor

The borrower, owner and guarantor of the property conveyed in a deed of trust.