

The escrow is a depository for all monies, instructions and documents necessary for the purchase of your home, including your funds for down payment and your lender's funds and documents for the new loan. Generally, the buyer deposits a down payment with the escrow holder and the seller deposits the deed and any other necessary documents with the escrow holder. Prior to the close of escrow the buyer deposits the balance of the funds required and agreed upon by the parties with the escrow holder.



The buyer instructs the escrow holder to deliver the monies to the seller when:

- The subject property is free and clear of all title defects
- The deed conveying title of property to buyer has been sent to the county for recording.

The escrow holder thus acts for both parties and protects the interests of each within the authority of the escrow instructions. Escrow cannot be completed until the terms and conditions of the instructions have been satisfied and all parties have signed escrow documents. The escrow holder takes instructions based on the terms of the purchase agreement and the lender's requirements

## Escrow Duties

The Escrow Officer's duties typically include the following:

1. Receive signed Purchase Agreement; prepare Escrow Instructions
2. Receive and deposit buyer's earnest money into an escrow account
3. Serve as the neutral agent and liaison/communication link to all parties to the transaction
4. Order Title Commitment to determine status of title to property
5. Request beneficiary's statement or pay-off demand related to existing financing
6. Comply with lender's requirements as specified in the lender's closing instructions
7. Secure releases of all escrow contingencies or other conditions required
8. Prorate taxes, interest, insurance and rents
9. Prepare or secure the transfer deed or other documents necessary to consummate the transaction
10. Arrange appointments for buyer/seller to sign documents
11. Request and receive purchase funds from the buyer and loan

funds from new lender

12. Close escrow pursuant to instructions provided by seller, buyer, and lender.
13. Arrange for recording of deeds and any other documents as instructed
14. Request issuance of the title insurance policies
15. Disburse funds as authorized, including charges for title insurance, recording fees, commissions and loan payoffs
16. Disposition of all funds held in escrow account
17. Prepare final accounting statements for the parties

## Communication Tips for Escrow

- 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 your questions to the proper representative, such as:
  - Real Estate Agent: Physical aspects of property, conflicts, and terms of sale.
  - Lender: Loan terms, credit report issues, etc.
  - Escrow Officer: Escrow instructions, documents and forms to be filled out.