

The Escrow Process

What is an Escrow?

Buying, selling, or refinancing real property usually involves the transfer of large sums of money. It is imperative that a neutral third party, known as the Escrow Holder (Title Company) handles the transfer of these funds and related documents from one party to another. When opening an escrow for a refinance transaction, the borrower and lender establish the terms and conditions of the loan-it is the responsibility of the Escrow Officer at the Title Company to see that these terms are carried out.

The Escrow Holder impartially carries out all written instructions given by the principals (borrowers). As the neutral third party, the Title Company oversees the escrow process to ensure that all conditions of the loan are met.



The Escrow Holder's Duties Include:

- ⇒ Serves as the neutral third party and the liaison between all parties involved
- ⇒ Requests a Preliminary Report to determine the status of the title to the property
- ⇒ Prepares the escrow instructions
- ⇒ Complies with lender's conditions and prepares necessary documentation
- ⇒ Requests payoff demands for anything to be paid through escrow
- ⇒ Records the Deed and other related documents
- ⇒ Receives closing instructions, documents, borrower's funds and reviews file to determine that all conditions have been met
- ⇒ Closes the escrow
- ⇒ Disburses funds as authorized by the instructions, including charges for title insurance, recording fees, lender fees, and loan payoff
- ⇒ Issues the Title Insurance Policy for the borrower and the lender

What do I need to Provide?

You may be asked to complete a Statement of Identity as part of the paperwork. Because many people have similar names, the Statement of Identity is used to identify the specific person in the transaction through such information as date of birth, social security number, etc. This information is considered highly confidential.

When do I Sign Escrow Instructions?

Approximately 4-6 days before closing, the Title Company will contact you or your lender to schedule a signing appointment.