

LAWYERS LINK



Opening Escrow

The selection of the escrow holder is normally done by agreement between the parties to a transaction. Typically, the escrow is then opened by the real estate agent. Which agent, (the "seller side" or the "buyer side"), will open the escrow is generally determined by local practice.

Escrow may be opened via telephone, email, website form, or in person, depending on the preference of

the agent and which options are available through the escrow company. An escrow file number is assigned and the appropriate information is entered into the computer. Upon issuance of the escrow file number, the escrow officer will order a Preliminary Report from the title company or title department.

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Preparation is key. The escrow officer will need some basic information in order to open and proceed with the escrow:

- Correct street address and parcel number if available
- Sales price
- Full names of all parties involved and marital status
- Contact information for all parties
- Existing lender name, loan number, contact information, and approximate unpaid balance
- HOA (Homeowner's Association) information; such as address and dues
- HOA management company information (if any)
- Commission amount and additional conditions

In general, the first item to enter escrow is the buyer's initial deposit. The escrow file will grow, item by item, until all the conditions have been met and the escrow is ready to close.

The escrow officer will also need the following from the buyer's agent:

- How the buyer(s) wants to take title
- New lender information
- Fire/hazard insurance information for new policy or existing policy

After the escrow is open:

- 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 filled out



MONTHLY INDUSTRY TERMS

Earnest Money

A deposit of funds made by a buyer of real estate as evidence of good faith.

Conditions, Covenants, & Restrictions (CC&R's)

A document that controls the use, requirements and restrictions of a property.

Trustee

The neutral third party in the deed of trust with limited powers. When the loan is paid in full, the property is reconveyed by the trustee back to the person or persons legally entitled to the land, or if delinquent, the property will be conveyed pursuant to non judicial foreclosure proceedings, to the highest bidder in a public sale.