

WHAT IS ESCROW?

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Buying or selling a home (or other piece of real property) usually involves the transfer of large sums of money. It is imperative that the transfer of these funds and related documents from one party to another be handled in a secure manner by a neutral and knowledgeable third party, the escrow holder. The parties to the transaction want to be certain all conditions of the transaction have been met before property and money change hands. The escrow process was developed to protect the buyer, seller and lender.

As the escrow holder, Old Republic Title acts upon the instructions of the parties and ultimately disburses the money. Simply stated, the escrow holder impartially carries out the written instructions given by the parties to the real estate transaction. This includes receiving funds and documents necessary to comply with the instructions, completing or obtaining required forms, and handling final delivery of funds, documents and statements to the proper parties upon the successful completion of the escrow.

OPENING THE ESCROW

After a written agreement has been reached for the purchase and sale of a piece of property, an escrow can be opened with Old Republic Title by any of the parties to the transaction: seller, seller's agent, buyer or buyer's agent. The duties of the escrow holder and the timing of key tasks may vary depending on state-specific requirements. Upon opening the escrow, the escrow holder should be provided with the terms of the sale and information necessary to perform these tasks.

If the transaction involves new financing, the buyer, with the assistance of the buyer's real estate agent, will make the

necessary arrangements with the new lender. Since the loan documents must be processed prior to the close of escrow, the timing for delivery of these documents to the escrow holder should be carefully considered and coordinated with the lender based on the anticipated closing date.

PROCESSING THE ESCROW

As the escrow holder, Old Republic Title assembles and processes the paperwork and funds necessary to close the transaction according to the buyer's and seller's instructions. This may include processing loan documents, recordable documents, or tax statements; gathering various types of insurance policies; preparing documents in connection with any seller-assisted financing; and obtaining payoff statements or invoices for various services to be paid from the escrow funds.

The escrow holder keeps all parties informed of progress during the escrow process.

SIGNING DOCUMENTS

The escrow holder or real estate agent will contact the buyer and seller to schedule an appointment for signing documents. These documents may include escrow instructions, estimated statements, recordable documents, required government forms and any loan documents for the buyer's new financing. A legal form of identification, such as a current drivers license, passport or identification card (military or state), should be brought to the signing appointment for each person involved in the transaction.

The seller will be advised of the estimated amount of proceeds they will receive after closing costs have been deducted.

The buyer will be notified of the amount of settlement funds required to close the transaction.

CLOSING THE ESCROW

Once all instructions in the escrow can be carried out to the satisfaction of all parties and any funds required have been deposited, the escrow can be closed. All necessary documents are recorded and title to the property is transferred, funds are disbursed, and title insurance is issued pursuant to the terms of the escrow instructions.

You can rely on Old Republic Title to handle your escrow needs with efficiency and expert service.



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