

# The Life of an Escrow

It all begins with the offer and acceptance skillfully negotiated by the real estate agents representing Buyer and Seller

## The Buyer(s)

- Tenders a written offer to purchase (or accepts the seller's counter-offer) accompanied by a good faith deposit amount.
- Applies for a new loan, completing all required forms and often prepaying certain fees such as credit report and appraisal costs.
- Approves and signs the escrow instructions and other related instruments required to complete the transaction.
- Approves the preliminary report and any property, disclosure, or inspection report called for by the purchase and sale agreement. (Deposit Receipt)
- Approves and signs new loan documents and fulfills any remaining conditions contained in the contract, lender's instructions and/or the escrow instructions.
- Deposits funds necessary to close the escrow. Approves any changes by signing amendments in the escrow instructions.

## The Lender

(WHEN APPLICABLE)

- Accepts the new loan application and other related documents from the Buyer(s) and begins the qualification process.
- Orders and reviews the property appraisal, credit report, verification of employment, verification of deposit(s), preliminary report, and other related information.
- Submits the entire package to the loan committee and/or underwriters for approval. When approved, loan conditions and title insurance requirements are established.
- Informs Buyer(s) of loan approval terms, commitment expiration date, and provides a good faith estimate of the closing costs.
- Deposits the new loan documents and instructions with the escrow holder for Buyer's approval and signature.
- Reviews and approves the executed loan package and coordinates the loan funding with the escrow officer.

## The Escrow Officer

- Receives an order for escrow and title services.
- Orders the preliminary report and examination on the subject property from Gateway Title Company.
- Acts as the impartial "stakeholder" or depository, in a fiduciary capacity, for all documents and monies required to complete the transaction per written instructions of the principals.
- Prepares the escrow instructions and required documents in accordance with the terms of the sale.
- With authorization from the real estate agent or principal, orders demands on existing deeds of trust and liens or judgments, if any. For assumption or subject to loan, orders the beneficiary's statement or formal assumption package.
- Reviews documents received in the escrow: preliminary report, payoff or assumption statements, new loan package and other related instruments. Reviews the conditions in the lender's instructions including the hazard and title insurance requirements.
- Presents the documents, statements, loan package(s), estimated closing statements, and other related documents to the principal(s) for approval and signature, and request the balance of the Buyer's funds.
- Reviews the signed instructions and documents, returns the loan package and request the lender's funds.
- Receives the proceeds of the loan(s) from the lender(s).
- Determines when the transaction will be in the position to close and advises the parties.
- Assisted by title personnel, records the deed, deed of trust and other documents required to complete the transaction with the County Recorder and orders the title insurance policies.
- Closes the escrow by preparing the final settlement statements, disbursing the proceeds to the Seller, paying off the existing encumbrances and other obligations. Delivers the appropriate statements, funds, and remaining documents to the principals, agents and/or lender(s).

Agents rely on the Escrow Officer's coordination of documents, loans, title, and inspections to close the transaction on time.

## The Seller(s)

- Accepts Buyer's offer to purchase and initial good faith deposit to open escrow.
- Submits documents and information to escrow holder, such as: addresses of lien holders, tax receipts, equipment warranties, home warranty contracts, any leases and/or rental agreements.
- Approves and signs the escrow instructions, grants deed and other related documents required to complete the transaction.
- Orders inspections, receives clearances, and approves final reports and/or repairs to the property as required by the terms of the purchase and sales agreement (Deposit Receipt).
- Fulfills any remaining conditions specified in the contract and/or escrow instructions; approves the pay off demands and/or beneficiary's statements.
- Approves any final changes by signing amendments to the escrow instructions or contract.

## Gateway Title Company

- Receives an order for title service.
- Examines the public records affecting the real property and issues a preliminary report.
- Determines the requirements and documents needed to complete the transaction and advises the escrow officer and/or agents.
- Reviews and approves the signed documents, releases, and the order for title insurance prior to the closing date.
- When authorized by the escrow officer, records the signed documents with the County Recorder's office and prepares to issue the title insurance policies.

**If you have any questions please call us at our main office (800) 660-6992**



Gateway Title Company  
Visit our website @ [www.gatewaytitle.net](http://www.gatewaytitle.net)