

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. For the protection of buyer, seller and lender, the process of escrow was developed.

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 is dependent on arranging 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 considered carefully 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 for each person, such as a current driver's license, passport or identification card (military or state), should be brought to the signing appointment.

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

The buyer will be notified as to the amount required for closing. These funds should be in the form of certified or wired funds.

CLOSING THE ESCROW

When 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.

Rely on Old Republic Title to handle your escrow needs with efficiency and expert service.

Effective 4.30.15

Old Republic is providing this information as a free customer service and makes no warranties or representations as to its accuracy.

Old Republic strongly recommends that consumers confer with their title insurer as underwriting requirements vary among companies and further, obtain guidance and advice from qualified professionals, including attorneys specializing in Real Property, Trusts and/or Title Insurance to get more detailed, and current, information as to any particular situation affecting them.