

10 Tips for a Trouble-Free Escrow

Buyers & Sellers



You have made the decision to buy or sell your home and, let's face it, the process is often confusing and a little overwhelming. Often, you find yourself giving blind trust to your broker, escrow officer, lender and all the other providers of services throughout the transaction.

Once a buyer and a seller get together, it's time to open escrow: a one to three-month process that will officially transfer the ownership of the property. This escrow process involves several key entities and can be very stressful to the uninitiated. However, the one thing for both buyer and seller to remember is that all of the parties involved are interested in the same objective: to close escrow. Nothing happens and no one gets paid until your escrow is closed.

The premise behind a real estate transaction is simple: The seller is selling and a buyer is buying! You may have been told that you do not NEED a broker, you do not NEED an escrow, you do not NEED a lender, and you do not NEED a title policy. However, unless you are a learned expert in these matters, a consumer shouldn't even think about entering into escrow without the professional help from at least some, if not all of these providers.

What can you do to make sure things run smoothly? Here are ten tips that every buyer and seller should know in preparing for a trouble-free escrow process.

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1. Select a licensed Real Estate Broker to represent you.
2. Choose an Independent Escrow provider - You have a choice. Remember only independent escrow providers licensed by the California Department of Corporations are 100% neutral third parties. Their only concern is to monitor the real estate transaction and safeguard trust account funds. Independent Escrow providers are specialists whose sole purpose is providing escrow. ESCROW IS THEIR ONLY BUSINESS.
3. Sellers: Eliminate surprises – If you have judgments against your property and do not say anything to anyone, you should know that a search of public records is automatic, and will reveal any liens. If you do not let your broker or escrow officer know about potential problems in advance, your escrow will most definitely be delayed.
4. Buyers: Eliminate surprises – If you have questionable credit, tell your broker or mortgage lender. They know the steps you need to take to clean up your credit. Every lender will require a credit report. Today, many borrowers go through a pre-qualification process before looking for a home. If you are pre-qualified, you know how much of a loan you can obtain and therefore how much you can spend on your new home.
5. Be responsive – The escrow officer may periodically contact you requesting pertinent information. There is always a good reason for the request. Just ask the escrow officer if they need more details; then get them the information they need as soon as you can. Remember nothing happens until the escrow is closed. Do not think, “If I do not respond, maybe they’ll forget about it.”

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6. Be prompt – You will be required to meet with an escrow officer when it is time to sign the loan documents. If you are not on time, the officer will take the next appointment and you may be the one waiting. Remember signing documents is at least a 60-minute affair. The escrow officer will go through and explain each document you must sign. Remember: All persons taking title will need to sign the loan documents.
7. Insurance – Make sure you have addressed your insurance needs. Select an insurance agent and inform your escrow officer in advance. Talk with your agent to determine your insurance needs. You must have fire insurance. You may also want a homeowners policy. Most lenders require title insurance as well. Your lender will require the name and address of your insurance agent. Be sure to have this information well in advance of the escrow close.
8. Walk-throughs – Make sure you have completed all walk-throughs, inspections and other contingencies such as termite inspections and any required city permits. Many things can delay the close. Be informed and prepared.
9. Documents – To expedite the escrow closing, bring the following items with you to your appointment:
 - Buyers & Sellers – Driver's License or passport (photo ID)
 - Buyers Only – The name and address of your homeowners insurance agent
 - Sellers Only – If your home is a condominium, make sure you have a copy of the homeowners association information.
10. Many people are involved in most real estate transactions. It takes cooperation and communication between all of these entities to ensure a smooth escrow close. A positive outlook and a quick response to anything asked of you will encourage this cooperation. Many things can hold up in an escrow – make sure you're not one of them.

Information Provided by:

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