



# The Escrow Process

What is Escrow? Escrow is a system of document transfer in which a deed, bond or funds are delivered to a third person to hold until all conditions in a contract are fulfilled.

## The Escrow Agent:

The Escrow Agent is a neutral third party acting on behalf of the buyer and seller.

The Escrow Agent's primary purpose is to close the transaction according to the Parties' instructions. Usually this involves clearing Title, acting as an intermediary between various interested parties, disbursing funds, recording the deed and security documents, paying off existing liens or mortgages and the proration of real property taxes to ensure an accurate and complete closing.

Escrow provides one central place where all funds and documents may be deposited.

## Important Terms:

### Title Insurance

A report providing information related to all recorded documents affecting a specific piece of property.

### Closing Statement (Settlement Statement)

An itemized spreadsheet detailing all debits and credits associated with the closing transaction.

### Consummation

The point when the consumer becomes contractually obligated to the creditor on the loan.

### Recording

Filing documents for public record (and notice) with a registrar (ie. County) as required for completion of an Escrow transaction.

### 1 Initiation

- Agents or Transaction Coordinators forward mutually accepted Purchase and Sale Agreement to Rainier Title

### 2 Confirmation

- Open transaction file using information provided from Purchase and Sale agreement
- Send confirmation/requests for information to all parties in the transaction
- Confirm the Title Report was ordered

### 3 Verification

(15-20 Days Prior to Consummation)

- Receive Title report; Review for problems; Clear all Title issues (Mortgages, liens, etc)
- Gather property information including homeowners association dues, utilities (water/sewer) mortgage payoff(s), taxes, and commissions

### 4 Preparation

(10-15 Days Prior to Consummation)

- Closing Disclosure collaboration with lender begins
- Provide Lender with fees
- Receive Lender Instructions
- Balance Figures for estimated Disbursement Date

### 5 Delivery of Closing Disclosure

- Delivery of the closing disclosure is up to the Lender but they may ask the settlement agent to deliver.
- Closing Disclosures must be delivered no later than 3-business days for hand delivery or 6-business days for mail or email prior to consummation

### 6 Consummation

(1-2 days prior to closing, unless same day/table funding)

- Complete buyer(s) and seller(s) signings
- Notarize, review, package and return documents to lender for approval
- If applicable, collect funds from buyer and/or seller

### 7 Closing Completion

- Receive funding
- Obtain approval to release transaction for recording

### 8 Upon Receipt of Recording Numbers

- Notify agents of closing
- Notify buyer(s) and seller(s) of closing
- Disburse all funds, including seller proceeds, for transaction
- Mail copies of final closing statement to all parties in the transaction.

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