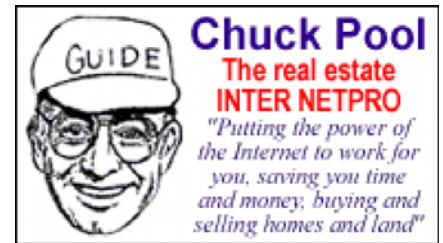


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What's an es-crow?



What's an Escrow?

Since most folks don't buy or sell a home every day, the process following the acceptance of an offer can be somewhat confusing.

What is an escrow? An arrangement with a title or escrow company who do the following:

1. Deposit the good faith deposit check.
2. Examine the title of the property being sold to make sure there are no problems and buyers will receive clear title.
3. Act as a central depository for all paperwork required by the lender (preliminary title report, pest inspections, etc) to approve the loan and the title company to transfer title to the new buyers.
4. When all paperwork has been collected (including loan documents from the lender) the title company has buyers and sellers come in (at separate times) to approve and sign all papers.
5. After the buyers sign the loan papers, the loan documents are sent back to the lender for the lender's final approval (usually 2 to 4 days from time of signing until lender funds loan).
6. When the buyers bring in their funds (in the form of a cashier's check made payable to the title company) and the lender delivers their check to the title company, the title company then records the title in the new buyer's name and delivers the proceeds due to the sellers (also provides the title insurance which insures the buyers have clear, legal title).

There are some very important dos and don'ts for both the buyers and the sellers during the escrow period. Please read these reports:

- Seller's Dos and Don'ts during escrow
- Buyers Dos and Don'ts during escrow