

## What Is the Escrow Process?

**By: Margarita Billings** – Margarita Billings, is a Certified Escrow Officer, with over 30 years of experience in the escrow industry, Billings is currently an active member of the **California Escrow Association**, holding the title of President for the year 2004.

The escrow process can seem like a whirlwind to most buyers and sellers — a flurry of paperwork coming and going, all requiring your attention, your signature, and even your money.

“Escrow officers do the majority of their work within a very short window of time,” says Jill Mushaney, president-elect of the California Escrow Association (CEA). “They need to gather, process, and verify incredible amounts of information as fast as possible so that other parts of the home buying or selling process can continue on schedule.”

So, where are all these documents and signatures coming from and where are they going? Here’s an overview of what happens from start to finish:

Escrow agents begin by preparing instructions that outline the transaction details. Both buyer and seller will sign off on these documents.

On behalf of the seller, escrow agents will then order a title search and review the report. Based on the results, they will request more information or solicit any demands from the seller’s creditors.

On behalf of the buyer, loan agents will begin preparing a loan application, see it through to approval, and then gather the appropriate loan documents. Among the essential documents would be the appraisal, credit report, verifications of funds and employment, lender’s instructions containing final loan costs, and promissory note.

With all the legal documents in order, escrow agents then make sure that other important documentation is in the file, such as the standard structural pest inspection, evidence of fire insurance and released contingencies, and loan documents, among others. If there are any missing signatures, you will receive a request to sign and return them as quickly as possible.

Escrow agents now forward the appropriate documents to the title company, return the loan documents to the funding company, and request loan funds from the buyer’s lender, as well as all necessary funds from both the buyer and seller.

When funds are secure, the escrow company arranges to record the transaction with the county recorder’s office. Both buyer and seller will then receive final statements, documents, and any remaining funds which then constitutes the “Official” close of escrow.

Whew. So there is a method to all the madness! Of course, since so much depends on a smooth escrow process, it’s essential to find an escrow company or agent properly trained and qualified to get it all done right — and on-time. To find out more please visit <http://www.caescrow.org>.

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