

**ESCROW ORGANIZATION MARKS 50th ANNIVERSARY WITH CAMPAIGN  
TO DEMYSTIFY ESCROW PROCESS  
Campaign directed at California — Escrow Capital of the World**

**California, July 21, 2004** – California’s sheer size and population, together with its world-famous weather, has long driven one of the hottest real estate markets in the world. And that means a lot of people going through the escrow process, yet not entirely understanding it, says Margarita Billings, president of the California Escrow Association (CEA). To commemorate the organization’s 50<sup>th</sup> anniversary, CEA has launched a public information campaign to educate consumers and practitioners about how escrows work and why they are so important.

“As we approach our 50<sup>th</sup> anniversary, now seemed the opportune time to extend our educational outreach to the public,” explained Billings. “While the concept of escrow is a widely accepted process by both consumers and practitioners alike, it is still a mystery to many and mostly left to practitioners and specialists.”

Last year alone, California averaged approximately 19,785 escrows *daily*. CEA reports that those that go smoothest are the ones handled by properly trained and qualified escrow professionals. CEA is the only organization offering a statewide program for professional designation of escrow officers based on comprehensive examination.

“With such a successful track record, we want to spread the word that education makes a difference — both on the practitioner’s end as well as the consumer side,” said Billings.

As part of the organization’s initial campaign, CEA has created a list of the Ten Most Common Questions About the Escrow Process:

**The Ten Most Common Questions About the Escrow Process:**

**1. What is escrow?**

Escrow enables the buyer and the seller to transact business and exchange money through a neutral party, thereby minimizing their risk.

**2. What types of transactions go through escrow?**

Most contracts that involve transferring, leasing or financing real or personal property can be placed in escrow. This may include buying or selling a traditional home, mobile home, business, or even transferring stock. Escrow protection is essential for any transaction of substantial value.

### **3. What is the role of the escrow agent?**

The escrow officer ensures that the transaction closes quickly and efficiently. His or her duties may include deciding if the escrow conditions have been met, or ordering the transfer of the real or personal property to the correct parties.

### **4. Why is it important to work with a Certified escrow agent?**

There are many intricacies and details involved in the escrow process as well as many kinds of escrows. Additionally, laws that affect escrows are changed or created constantly. Escrow agents with professional designations are certified and have gone through extensive training that ensures a smooth escrow process.

### **5. Can escrow agents offer legal or investment advice?**

An escrow officer is not a legal counselor and cannot offer this kind of advice. If there is a dispute between both parties, it is essential that the escrow officer remain neutral and not become a part of the negotiation process.

### **6. What are a buyer's responsibilities in the escrow process?**

If the transaction is contingent upon a new loan, it is the buyer's responsibility to arrange this loan. Real estate agents can be most helpful in finding an appropriate lender.

### **7. What are a seller's responsibilities in the escrow process?**

The seller should gather such information as loans, taxes, insurance and, if appropriate, rental data. This information can be found on the original deed or title policy, fire insurance policy and on the year-end statement from the existing lender. A copy of the most recent structural pest control report may be helpful, or in some cases even required, in a real estate transaction.

### **8. What is the fee for escrow services?**

The escrow fee is normally based on the size and complexity of the transaction. Since there are so many types of escrows and every transaction is different, there is no set fee schedule.

### **9. What happens to escrow fees if the transaction falls through?**

When a transaction fails to close, both parties must agree on a cancellation agreement that decides how to divide the deposit money and makes provisions for paying for any current escrow charges.

### **10. Where can I go for more information about the California escrow process?**

The California Escrow Association is happy to provide consumers with basic information about the escrow process. **Visit [www.caeescrow.org](http://www.caeescrow.org) or call (916) 325-0600.**

The California Escrow Association is a statewide organization for professional escrow practitioners. It was founded in 1924 and has more than 2,000 members. The organization is dedicated to maintaining the highest standards in escrow through continuing education and legislative advocacy. CEA offers the only statewide program for professional designation of escrow officers based on comprehensive examination. CEA also works with community colleges throughout the state to develop CEA-approved curricula leading to a certificate in Escrow. CEA's dedicated legislative advocate screens proposed legislation to gauge its effect on the escrow profession, and to draft new legislation as needed.

For more information on California Escrow Association or to learn more about the California escrow process, visit [www.ceaescrow.org](http://www.ceaescrow.org) or call 916-325-0600.

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