

Tips for a Trouble Free Escrow

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 seller get together, it's time to open escrow: a one- to three-month process that will officially transfer 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 don't NEED a broker, you don't NEED an escrow, you don't NEED a lender, you don't NEED a title policy. However, unless you are a learned expert in these matters, a consumer shouldn't even think about entering into a transaction 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.

1. Select a licensed Realtor to represent you.

2. Choose a licensed independent escrow provider.

You have a choice. Remember, only independent escrow providers licensed by the California Department of Business Oversight 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 or you and don't say anything to anyone, you should know that a search of public records is automatic, and will reveal any liens. If you don't let your realtor 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 realtor or 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 you need more details; then get them the information they need as soon as you can. Remember, nothing happens until the escrow is closed. Don't think, "If I don't respond, maybe they'll forget about it."

6. Buyers: Be prompt.

You will be required to meet with your escrow officer or loan document signing specialist when it is time to sign the loan documents. If you are NOT on time for your appointment, your appointment may have to be re-scheduled. Please be prompt. Remember signing loan documents usually takes at least 60 minutes. The escrow officer/loan document signing specialist will go through your loan documents with you. However, you should be aware that these papers are the lenders documents. You have the option of requesting a representative from the lenders office to be available at loan signing for any questions you may have. Remember, all persons taking title will need to be present to sign the loan documents.

Buyers should bring the following items to your appointment:

In order to have your signature notarized you MUST have a valid Drivers License or Passport with your picture on it. If you do not have valid identification, contact your escrow officer IMMEDIATELY. Your escrow can be delayed if your identification does not match how your name appears on your documents.

7. Make sure you have addressed your insurance needs.

Select an insurance agent. Let your escrow officer know in advance the following information: name of agent, phone number, fax number, premium amount, and policy number if you have it. Be sure to provide this information well in advance of the closing. Many escrows are delayed because the Buyer has not selected an insurance provider. Do not let this happen to you! Talk with your agent to determine your insurance needs. Your lender will REQUIRE that you have an insurance policy in place before closing.

8. Complete all walk-throughs.

Make sure you have completed all walk-throughs, inspections and other contingencies such as termite inspections and any other required city permits. Many things can delay the close. Be informed and prepared.

9. Some issues that SELLERS should keep in mind:

If you are the Seller and you are coming in to have a document such as a Grant Deed notarized, you must bring in the following: a valid Drivers License or Passport with your picture on it. If you do not have valid identification, contact your escrow officer IMMEDIATELY. Your escrow can be delayed if your identification does not match how your name appears on your documents. If you are the Seller and your home is a condominium or in a development that has a Homeowners Association, you must let your escrow officer know who the Homeowners Association is, who is the management company, how much your dues are, where you make your payments etc. Some properties have more than one association so it is important that you provide your escrow holder with this information.

10. Cooperate and Communicate.

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 an escrow close; make sure you're not one of them.