



LIFE OF AN ESCROW - COMMERCIAL

It all begins with the offer and acceptance skillfully negotiated by the commercial brokers representing Buyer and Seller.

1. THE BUYER(S)

1. Tenders a written offer to purchase (or accepts the Seller's counter-offer) accompanied by a good faith deposit amount
2. Approves and signs escrow instructions and other related instruments required to complete the transaction
3. Approves the title commitment and any other reports required in the purchase and sale agreement
4. Approves and signs new loan documents and any remaining conditions contained in the contract, lender's instructions, and/or the escrow instructions
5. Deposit funds necessary to close the escrow
6. Approves any changes by requesting and/or signing amendments in the escrow instructions

2. THE SELLER(S)

1. Accepts Buyer's Offer to Purchase and initial good faith deposit to open escrow
2. Submits documents and information to escrow holder, such as: addresses of lien holders, tax receipts, equipment warranties, home warranty contracts, any lease and/or rental agreements
3. Approves and signs the escrow instructions, grant deed and other related documents required to complete the transaction
4. Orders inspections, receives clearance and approves final reports and/or repairs to the property as required by terms of the purchase and sale agreement (Deposit Receipt)
5. Fulfills any remaining conditions specified in the contract and/or escrow instructions; approves the pay off demand and or beneficiary statements
6. Approves any changes by requesting and/or signing amendments in the escrow instructions

2. THE LENDER

1. Accept the new loan application and other related documents from the Buyer(s) and begins the qualification process
2. Orders and reviews the property appraisal, credit report, verification of employment, verification of deposit(s), preliminary report and other related information
3. Submits the entire package to the loan committee and/or underwriters for approval. When approved, loan conditions and title insurance requirements are established.
4. Informs Buyer(s) of loan approval terms, commitment expiration date and provides a good faith estimate of the closing costs
5. Reviews and approves the executed loan package and coordinates the loan funding with the escrow officer



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4. THE ESCROW SETTLEMENT OFFICER

1. Receives Purchase and Sale Agreement and an order for escrow and title services
2. Places order for the title commitment for the subject property
3. Acts as the impartial "stakeholder" or depository, in a fiduciary capacity, for all documents and monies required to complete the transaction per written instructions of the principals
4. Prepares the escrow instructions and required documents in accordance with terms of sale
5. With the authorization from the broker or principal, orders demands on existing deeds of trust and liens or judgments, if any. For assumptions or subject to loan, orders the beneficiary's statement or formal assumption package
6. Reviews documents received in the escrow: title commitment, payoff or assumption statements, new loan package and other related instruments
7. Review the conditions in the lender's instructions
8. Presents the documents, statements, loan package(s), estimated closing statements and other related documents to the principals, for approval and signature, and requests the balance of the buyer's funds
9. Receives the proceeds of the loan(s) from the lender(s)
10. Determines when the transaction will be in the position to close and advise the parties
11. Directs WFG, to record the deed, deed of trust and other documents required to complete the transaction with the County Recorder and orders the title insurance policies
12. Closes the transaction by preparing the final settlement statements, disbursing the proceeds to the Seller, paying off the existing encumbrances and other obligations
13. Delivers the appropriate statements, funds, and remaining documents to the principals, agents and/or lenders

5. WFG

1. Receives an order for title service
2. Examines the public records affecting the real property and issues a title commitment
3. Determines the requirements and documents needed to complete the transaction and advise the escrow settlement officer and/or agents.
4. Assists in correcting errors in the title reports by obtaining information to correct title issues and/or making underwriting decisions that will allow clear title for the insured
5. Reviews and approves the signed documents, releases and the order for title insurance
6. WFG records the signed documents with the County Recorder's office and prepared to issue the title insurance policies