

WHAT EACH PARTY DOES IN ESCROW

The Seller:

- Deposits the executed deed to the buyer with the settlement agent.
- Deposits evidence of pest inspection and any required repair work, if applicable.
- Deposits other required documents such as tax receipts, addresses of mortgage holders, any state or federal required documentation, etc.

The Buyer:

- Deposits the funds required, in addition to any borrowed funds, to pay the purchase price with the settlement agent.
- Deposits funds sufficient for home and title insurance.
- Arranges for any borrowed funds to be delivered to the settlement agent.
- Deposits any deed of trust or mortgages necessary to secure loans.
- Approves any inspection reports, the Preliminary Report for title insurance, etc., called for by the purchase and sale agreements.
- Fulfills any other conditions specified in the instructions.

The Lender (if applicable):

- Prepares loan document package for buyer/borrower.
- Deposits proceeds of the loan with the settlement agent.
- Directs the settlement agent on the conditions under which the loan funds may be used.

The Settlement Agent:

- Opens the order for title insurance.
- Obtains approvals from the buyer on the Preliminary Report/ Title Commitment, pest and other inspections.
- Receives funds from the buyer and/or any lender.
- Prorates taxes, rents, etc.
- Disburses funds for title insurance, recording fees, real estate commissions, lien clearance, etc.
- Prepares an estimated statement or HUD settlement statement, as required, for each party, indicating amounts to be disbursed for services and any further amounts necessary to close.
- Records deed and loan documents, delivers the deed to the buyer, loan documents to the lender and funds to the seller, closing the escrow.
- Issues final closing statement/ HUD settlement statement and forwards to buyer, seller and lender.