

What Is An Escrow?

An escrow is a process wherein the Buyer(s) and Seller(s) deposit funds, documents, and written instructions with a neutral third party until certain conditions are fulfilled. In Arizona, escrow services are generally provided by a title insurance company instead of an attorney. The stability, reliability and performance of your title and escrow company are vital to protect the interests of all parties to the transaction.

How Is An Escrow Opened?

Your real estate agent will open the escrow for you. After the Buyer selects a home, completes the contract (or Purchase Agreement), and the Seller accepts the offer, the agent will open the escrow and place the Buyer's earnest money deposit and the Purchase Agreement in escrow. Written evidence of your deposit is detailed in your copy of the Purchase Agreement.

What Happens Next For The Buyer?

- a. Identity Statement. You will be asked to fill out an Identity Statement. Besides providing basic information that will be useful for your escrow officer, this statement will help the title department distinguish you from others with identical names during their search of county records.
- b. Home Loan. Unless you are paying all cash, assuming a loan, or the Seller is financing, you will need to apply for a home loan. Your real estate agent should be able to recommend several reliable sources for your loan. Apply as soon as possible to avoid delaying the closing.
- c. Response to Seller's Notices. If directed by the Purchase Agreement, you will receive the following items which require a response from you. Your real estate agent can help you with your responses.
Sellers Property Disclosure Statement listing any existing problems known to the Seller.
- d. Information pertaining to the Home Owners Association (HOA) or Planned Unit Development (PUD), if applicable.
- e. Flood Hazard Disclosure if the property is in a flood area.
- f. Independent Inspections, such as termite, and any subsequent repairs as required.
- g. Title Commitment. You will receive a copy of the title commitment when we complete the title search. If you have questions about the title commitment, contact your real estate agent or your escrow officer.

Your escrow is an on-going process in which the Buyer, Seller, real estate agents, lender, title officer and escrow officer all participate. Working together, we'll reach our objective...closing your escrow as smoothly as possible and on time.

It is recommended that you keep all records pertaining to your home together in a safe place, including all purchase documents, insurance, maintenance and improvements. This information was supplied by First American Title Insurance Company.