

WHAT IS AN ESCROW? An escrow is an independent “stakeholder” account and is the vehicle by which the interests of all parties to the transaction are protected. The escrow is created upon delivery of the contract for the sale of your home, and becomes the depository for all monies, instructions and documents pertaining to the sale. Some aspects of the sale are not part of the escrow. For example, the buyer and seller must decide which fixtures or personal property items are included in the sales agreement. Similarly, loan negotiations occur between the buyer and the lender. Your real estate agent can guide you in these non-escrow matters.

HOW DOES THE ESCROW PROCESS WORK? The escrow officer takes instructions based on the terms of your Purchase Agreement and the lender’s requirements. The escrow officer can hold inspection reports and bills for work performed as required by the purchase agreement. Other elements of the escrow include hazard and title insurance, and the grant deed from the seller to you. Escrow cannot be closed until all requirements have been satisfied and all parties have signed escrow and loan documents.

HOW DO I OPEN AN ESCROW? Either your real estate agent or the buyer’s agent may open escrow. As soon as you execute the Purchase Agreement, your agent will place your initial deposit into an escrow account at the title company

HOW DO I KNOW WHERE MY MONEY GOES? Written evidence of the deposit is generally included in your copy of the sales contract. The funds will then be deposited in a separate escrow or trust account and processed through a bank. You will receive a receipt for the funds from the title company.

WHAT PERSONAL INFORMATION DO I NEED TO PROVIDE? You may be asked to complete a Statement of Identity as part of the paperwork. Because many people have the same name, the Statement of Identity is used to identify the specific person in the transaction through such information as date of birth, social security number, etc. This information is considered confidential.

HOW LONG IS THE ESCROW? The amount of time, necessary to complete the escrow is determined by the terms of the Purchase Agreement. It is normally 30 to 45 days, but can range from a few days to several months.



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The Escrow Process

