



My Loan Documents are at Escrow. Now What Happens?

Closing can be an exciting, yet stressful time, especially if you don't know what to expect. Here's a timeline of what happens from loan documents to closing; a process that can typically take between 24 to 72 hours.

- Loan documents arrive at escrow and we begin tightening up the numbers to provide an estimate of the buyer's required final deposit and estimate of seller's proceeds.
- Escrow provides an estimated "HUD" to buyer's lender for their review prior to releasing loan documents for signature.
- Escrow prepares the recordable documents for the title company to review along with an instruction to accompany the documents which, among other things, provides the policy amounts for the title insurance policies; clarifies how the buyer will take title; which items, to this point attached to the property will be cleared and which will remain.
- Escrow prepares a funding package including various forms and documents specific to the transaction which will accompany the buyer's signed loan documents.
- Once buyer's lender has approved the estimated HUD, the documents are released for signing; a notary arranged by escrow will contact the buyer for a signing appointment. After signing, the buyer should initiate a wire transfer of funds, based on the estimated HUD they sign with loan documents. The buyer's signed documents will be combined with the funding package referred to above & couriered back to the buyer's lender for review. This can take 24-72 hours depending on their work load. The funder will send a check list to the loan broker and escrow with an itemization of outstanding conditions.
- Once the conditions have been met, the funder will confirm with escrow that we're in a position to accept funds. A wire (the buyer's loan amount, less the lenders fees and interest) is sent to the title company.
- Escrow informs the title company that a wire is on the way and to record the documents when it arrives. The title company sends the recordable documents to the recorder's office where they wait in line with all of the other recordings and closings happening that day.
- The documents are stamped (this constitutes closing, also known as confirmation!), the recording clerk calls the title company, the title company calls the escrow company, the escrow company calls the agents and they contact seller and buyer.
- The following business day, the title company pays the sellers loan and other liens attached to the property & wires the remaining funds to escrow, which are combined with the buyer's down payment currently held by us. Title provides escrow with a final accounting of these payoffs. Escrow creates the final HUDs which are adjusted & based on the actual closing date, final recording fees, interest calculations, etc. & all funds held by escrow are disbursed to the appropriate party.