



ESCROW ROADMAP

Congratulations on your accepted offer. I want to make this experience as easy as possible and encourage you to ask as many questions as necessary in order to feel comfortable. Here is a general overview of what will occur during escrow:

THE DEPOSIT

I will provide you with the amount for the escrow deposit (usually 3% of purchase price) and escrow's mailing address. Please write the "escrow #" on the memo portion of the check and mail it within two days of acceptance.

CONTINGENCIES

The good news is that the seller cannot cancel the deal, but you can... until you remove all contingencies. There are numerous contingencies specified in the purchase agreement, which may include: Inspection, Loan, Appraisal, Termite and others. Typically the purchase agreement will specify a period of 7 - 10 days to do your "due diligence" on these items. Upon expiration of contingencies, the seller can issue a "Notice To Perform" which asks you to remove a contingency within 24 hours or risk having the seller cancel the deal and return your deposit. Contingencies can only be removed with your signature.

DUE DILIGENCE PERIOD

It is my job to help you learn as much as possible about the property before you irrevocably commit to buy it. Fortunately, there are guideposts we can follow.

PHYSICAL INSPECTION: The California Real Estate Inspection Association (www.creia.org) is a good resource to find a qualified inspector, or I am happy to provide a referral. Your inspector may recommend that you consult with additional specialists such as a geological or structural engineer, a plumber or even a contractor depending upon any concerns that may arise. www.angieslist.com provides consumer references for many service providers.

We will meet the inspector at the property while he or she evaluates the condition of the home. The inspector will provide a written report for you to keep and we will discuss any questions or areas of concern. We can then prepare a “Request for Repair” to submit to the seller’s agent. Items on this “RR” are negotiable and the seller is not obligated to fix anything that has not been agreed to in the contract. Likewise, you are not obligated to proceed with the purchase and may cancel escrow and receive a refund of your deposit.

If you anticipate that you will want to get estimates from service providers such as contractors, plumbers, etc., it is ideal to have them come to the property during the physical inspection. If this is not possible, we can arrange another time for them to come. Feel free to invite a friend or family member to the inspection too.

DISCLOSURES: The seller is required to disclose any known item that might be considered relevant to the overall desirability or condition of the property. In addition, certain government disclosures are required whenever real estate is transferred. Your signature on these disclosures only acknowledges receipt and you may still disapprove of them at a later date.

FOR CONDOS: You will receive a copy of the “minutes” or notes from recent Home Owner Association meetings as well as a bank statement showing the HOA’s reserve fund, budget and liabilities. By-Laws, information about pending litigation and the Conditions, Covenants & Restrictions will also be provided.

PERMITS: Some buyers wish to view a Certificate Of Occupancy and building permits, often due to a concern about a possible un-permitted addition or a question about square footage. These can be easily obtained for a small fee from ThePermitReport.com (800-607-0544) or by visiting the city’s Department of Building and Safety.

INSURANCE: For the purchase of a house, it is important to immediately confirm its insurability with an insurance company. Some houses are difficult to insure and banks require fire insurance for all houses, whereas condos usually have fire insurance through the Home Owner’s Association. Check with the company that provides your car insurance, as you may get a discount. Be sure to ask about earthquake insurance and a personal homeowner’s policy. Referrals are available.

THE ESCROW COMPANY

You will receive numerous documents requesting information or your signature and it is best to return them to escrow as soon as possible. Your escrow officer should be available to answer any questions you have and you can always call me too.

MORTGAGE BROKER / LENDER

If a problem arises during escrow, it often has something to do with the lender. Processing a loan takes time and it is important that you provide all requested information as soon as possible. Since the bank will require an appraisal and other conditions to be met before lending money, we need to have confidence in a loan officer/mortgage broker who is organized and trustworthy. We will most likely rely on this person's word that the loan is in order when you release all contingencies. If for some reason it is not, your deposit may be at risk. Again, referrals are available.

PREPARE TO MOVE

If you are renting, try to give your landlord 30 days notice. www.whitefence.com is a helpful service to help you make arrangements for phone, utilities, cable, internet, etc. www.angieslist.com is a terrific resource to find a mover, handyman and much more!

LOAN DOCUMENTS / CLOSING

You will arrange an appointment with escrow to sign loan documents at their office, or with a traveling notary. Remember to bring I.D. They will also provide you with a final down payment amount for you to bring as a cashier's check or to do a wire transfer. It will take between 45 - 90 minutes for you to sign the loan docs. The escrow officer is there to guide you. Remember, there are NO stupid questions and I am always a phone call away.

Once the bank funds your loan, escrow will close the following day and a closing statement will be prepared. That's it. Time to pick up your keys and move in! You will receive your rebate check within 5 days after the close of escrow.

It is our goal for you not only to be satisfied, but enthusiastic about our service. Please do not hesitate to communicate any needs or concerns along the way. Thank you!