



## ESCROW ROADMAP

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

### THE DEPOSIT

We will provide you with the amount for the escrow deposit (usually 3% of purchase price) and escrow's mailing address. Please write the escrow # we give you on the memo portion of the check and mail it within one day of acceptance. You may also do a wire transfer.

### 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. Contingencies can only be removed with your signature. If you do not remove your contingencies prior to expiration, the seller's only option is to issue a "notice to perform" which asks you to remove a contingency within 48 hours or risk having the seller cancel the transaction and return your deposit. Your deposit is not at risk until you remove a contingency.

### DUE DILIGENCE PERIOD

It is our 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](http://www.creia.org)) is a good resource to find a qualified inspector or we are 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](http://www.angieslist.com) provides consumer references for many service providers.

We generally meet the inspector at the property while he or she evaluates the condition of the home and we encourage you to be there too. The inspector will provide both a verbal and written report and then we all 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, handymen, 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 items that might be considered relevant to the overall 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 (CC&Rs) will also be provided.

**PERMITS:** We recommend that you obtain building permits and a certificate of occupancy for a property to learn about possible un-permitted additions and original square footage. These can be easily obtained for a small fee from [ThePermitReport.com](http://ThePermitReport.com) (800-607-0544) or by visiting the city’s Department of Building and Safety.

**INSURANCE:** It is important to immediately confirm a property’s insurability with an insurance company. Some homes are difficult to insure and banks require fire insurance for all houses. Check with the company that provides your car insurance, as you may get a

bundling discount. Be sure to ask about earthquake insurance and a personal homeowner's policy. We are happy to make insurance agency referrals.

## **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 us too.

## **LENDERS**

If a problem arises during escrow, it often has something to do with the lender. Processing a loan takes time and it is important to provide all requested information to your lender as soon as possible. Since the lender will require an appraisal and other conditions be met before lending, we need to have confidence in a loan officer/mortgage broker who is professional 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](http://www.whitefence.com) is a helpful service to help you make arrangements for phone, utilities, cable, internet, etc. [www.angieslist.com](http://www.angieslist.com) is a terrific resource to find a mover, handyman and much more!

## **LOAN DOCUMENTS / CLOSING**

If you are financing your purchase, you will need to arrange an appointment with escrow to sign loan documents at their office, or with a traveling notary. Remember to bring identification. Escrow will also provide you with a final down payment amount for you to bring in 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. We recommend reviewing the loan documents at your leisure, before you go in, so you can contact your lender with any questions. Once the bank funds your loan, escrow will close the following day and it's time to pick up your keys and move in! You will receive your rebate check within 12 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!