

ESCROW DELAYS

HOW TO AVOID

AND INSURE A SMOOTH CLOSING



Some of the common hurdles that slow or stop an escrow transaction are:

BUYER:

- The Buyer does not have the additional funds needed to close transaction
- The buyer brings a personal check for closing
- Husband/wife comes to sign without spouse
- Escrow Officer was not aware of marriage, separation, divorce, sole and separate property, death of a joint tenant, etc., making all papers incorrect
- One of the spouses is out of town
- Buyer signs loan papers incorrectly
- Judgments arise during escrow period
- Buyer does not have proper info for notary
- Buyers make a major purchase on Credit

SELLER:

- Demands on existing loans are not yet in escrow
- Releases are not yet in escrow
- Judgments arise during the escrow period
- Did not disclose to Realtor that homeowners dues are due on the property.
- Seller does not have proper info for notary

FIRE INSURANCE

- The policy wasn't ordered soon enough - escrow cannot order without lender's instructions
- The policy reads incorrectly -addresses, names, etc.
- The coverage is not for the correct amount
- The buyer used an Out-of Town (State) insurance agent

TERMITE & PEST CONTROL:

- The inspection was done on the wrong property
- No report, inspection or clearance has been received in escrow
- The clearance was not completed
- The addresses are incorrect -the Lender will not accept
- Certain areas were not checked but a clear report was issued - the lender will not accept

LENDER:

- Points/Interest rate goes up: parties are not notified
- Miscellaneous charged were made and not disclosed to parties
- The Lender has called for additional conditions

What Causes Escrow Delays?

- Not returning the calls to escrow when they try to verify a new escrow
- Not giving vesting information at opening
- Forms turned in Incomplete or Late! (i.e., missing S.S.N. or S.I., no insurance company)
- No loan information so demand can be ordered
- Initials Missing on forms and documents
- Signatures Missing
- Grant Deeds Signed but not Notarized
- Grant Deed not in at closing
- Not returning Paperwork in a Timely Manner
- If you know about a PROBLEM-Don't keep it a Secret!
- Lack of Communication between Agents, Escrow and parties.
- If you know about Loan Approval Give Escrow a Heads Up!
- Get the Insurance Agent's name and Information to Escrow A.S.A.P

What Can the Agent Do?

- Have your property profile when you open escrow
- Have new lender information so Cert. Instructions can be sent out with no delays
- Have purchase contract & all counters with you so all terms are clear at opening
- Know the other agent's phone number so information can be verified quickly
- Get all escrow papers back as quickly as possible. If you are not a notary, feel free to send them in to Escrow to sign Grant Deed. This is often a last minute hold up.
- Be sure the S.I. is returned quickly this shows all the judgments, etc. (Very Important to do this early)
- Be sure to complete all paperwork. Loan info for Seller, Insurance for Buyer is often not completed
- Check each page of instructions that they initialed and signed correctly and did not miss any spots.

This is intended for information purposes and should not be taken as legal advice.



@PacificCoastTitleCompany