

ESCROW TERMS EXPLAINED

OPENING PRE-ESCROW/ESCROW

Net Sheet: Rough preliminary estimate provided to Seller detailing closing cost

Earnest Money Deposit: Amount required of Buyer to deposit into escrow, in the form agreed upon by the parties in the contract. Item 3 on the CAR RPA.

Tax Roll: Detail provided by title insurer that lists disposition of the issued current and supplemental tax bills. Assessed owner is also detailed. Short-term investors or estates who do not appear as an "Assessed Owner" on the tax roll during escrow can expect to owe supplemental tax bills post-closing.

Third Party Deposit: Funds received by Escrow Holder from a party other than the contracted principal. We need authorization from depositor to credit funds to the intended party.

Escrow Holder Acknowledgment: Completed by Escrow Holder upon receipt of the initial deposit.

Vesting: Instructions received by Buyers on the manner in which they intend to hold title.

FinCen GTO: Applies when Buyer is vesting in an Entity such as an LLC or a Corporation. The Financial Crimes Network of United States Treasury enacted a Geographic Targeting Order to assist in combatting money laundering. The title insurers are responsible for collecting Buyer identity documents for certain 1-4 residential transactions where the Buyer is vesting in an entity and not using conventional financing. Ask your Escrow Officer for more information.

LOAN PROCESS

TRID: TILA (Truth in Lending Act) RESPA (Real Estate Settlement Procedures Act Integrated Disclosures). These new regulations issued in 2015 by the newly formed CFPB reset the loan cycle requirements for how Lenders process their loans and what is required from Borrowers before an estimate is issued.



CFPB: Federal Consumer Agency responsible for overseeing most conventional 1-4 residential loans and other consumer related financial products.

Mortgage Loan Application: Consists of applicant's name, income, social security number, property address, purchase price and loan amount being submitted to Lender. This information, at the Acceptance of Offer, triggers the loan estimate.

Loan Estimate: Federally standardized form provided to the Borrower no later than three business days from the date the Buyer submits loan application to Lender. Designed to assist Buyer in comparative shopping

Credits: Prepare to disclose any credits that result from inspections or other matters as early in the transaction as possible so that they are included in final loan disclosure and Lender approves.

Closing Disclosure: Delivered to Buyer/Borrower 3 business days prior to loan document signing. Details of final fees and loan terms. Seller's copy sent prior to Buyer signing.

Loan Documents: Receipt requested one week prior to contracted recording date to ensure a smooth and timely close. Notarization required and notary selection may be restricted by Lender.

ESCROW & TITLE SEARCH PROCESS

Preliminary Report: Document created by the title insurer that offers information on liens and underlying documents affecting the property in anticipation of issuing a title insurance policy.