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# CASTLEHEAD INC. ESCROWS

## WHAT A SELLER NEEDS TO KNOW:

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When a Seller enters into escrow, there is what seems like tons of paperwork to be completed. Sometimes it just doesn't make sense that we need so much information. Disclose this and disclose that, give every bit of personal information short of your shoe size and ring size. Is this really necessary? Simply stated, yes, all this information is necessary, not only from the Seller, but from the Buyer also.

The Seller's escrow package will typically include; Escrow Instructions, Commission Instructions, Grant Deed, Statement of Information, Seller Loan Information Form, 1099 Questionnaire, 597 Form, and possibly a Trust Certification. Each form has its own purpose and is equally important. Let us emphasize that getting the forms completed, signed and returned to the Escrow Officer, along with your signed escrow instructions (in a timely manner) is a high priority. The purchase agreement has a specific time allotted for the return of the signed instructions by the Seller and Buyer. Once the package is completed, signed and returned to escrow, the Escrow Officer goes to work.

The Statement of Information is forwarded to the title company for a review of the general index to verify if any liens, judgments or loans are filed against the Seller. They verify this by looking at the names, social security numbers, residences and places of employment. While a Seller feels that this may be an invasion of privacy, it is necessary to make sure nothing has been erroneously filed against the property or the Seller. Many times a transposed number can cause a lien to show on the property, or a common name as well could cause this mishap. Not providing the information could cause a delay in closing the escrow. The sooner the information is provided, the sooner the Title Company can get to work searching and possibly clearing any errors that appear.

The Loan Information Form is used to contact the existing lenders to provide payoff statements. If the property has a Homeowner's Association, the Escrow Officer needs to order a statement for the Buyer's approval which shows the current amount of dues and when payable. Accuracy in completing the loan numbers or identification numbers is required. Always provide the phone numbers and addresses as requested on the form. Again, time is important with this form. Many lenders respond quickly to a request for payoff however, there are still a few lenders that take the full amount of time allotted by law to respond, which can be as long as 21 business days. Any delays could, once again, cause a delay in closing the escrow.

As a Seller, there are some common questions you may have. For example...

### **WHAT ABOUT MY HOUSE PAYMENTS WHILE I AM IN ESCROW?**

Understand that your obligation to make your monthly house payment(s) does not cease when you enter escrow. If you choose NOT to make a payment during escrow, it is possible that you could incur a late charge. Sometimes escrow is canceled and those payments are still due. If you do make a payment during escrow, the lender or title company may request that the amount of your last check be held, in escrow, for up to thirty (30) days, but you will not incur a late charge this way. THE CHOICE IS YOURS. Also, keep in mind that when your mortgage is paid off through escrow, you will be charged interest from the date your last payment was due to the close of escrow PLUS a few days to allow for mail and/or posting of the payoff. INTEREST IS NOT PAID IN ADVANCE, BUT IN ARREARS. In order to expedite any payoffs, the title

company will express mail/overnight the payoff at the close of escrow to allow for the least amount of interest to be charged. Many times the payoff is wired to the lender, if the lender will allow this process to take place. The cost for the overnight mail or wire fee will be charged to the Seller through escrow. In the event the lender was overpaid, they are required to reimburse any overpayment to the Seller. This usually takes a maximum of 30 days.

#### **WHAT ABOUT MY PROPERTY TAXES WHILE I AM IN ESCROW?**

The tax period is July 1<sup>st</sup> through June 30<sup>th</sup>, each year. The tax bill is payable in two installments (more information on property taxes can be obtained on our website [www.castleheadescrows.com](http://www.castleheadescrows.com) IMPORTANT PROPERTY TAX INFORMATION) the first installment is due November 1<sup>st</sup> and delinquent December 10<sup>th</sup>. The second installment is due February 1<sup>st</sup> and delinquent April 10<sup>th</sup>. If your property taxes become due and payable during your escrow time period, you should contact your Escrow Officer regarding the payment process. Property taxes are prorated at the close of escrow, unless we are instructed otherwise.

#### **HOW WILL I RECEIVE MY PROCEEDS FROM THE SALE OF MY HOME?**

At the close of escrow, the Escrow Officer will issue a single check drawn on the escrow trust account. The check will be payable to the Seller(s) as on the escrow file. If the check is to be made payable to anyone other than the Seller(s) or should be made in more than one check, the Escrow Officer will require written instructions which are signed by all parties in front of a Notary Public.

#### **WHAT CAN I DO TO AVOID MY BANK PLACING A HOLD ON YOUR ESCROW CHECK?**

If you need access to your funds immediately, the Escrow Officer can send your proceeds by a Federal Wire Transfer. This process will require written instructions signed by all Sellers and a fee of \$25.00 will be charged to the Seller's account. Usually the wire transfer can be sent within 24 to 48 business hours of the close of escrow.

#### **CAN I FAX ALL MY SIGNED PAPERS TO ESCROW?**

In most cases you may, however, the original signatures are required before escrow can close. Check with your Escrow Officer to see if this will apply in your escrow.

#### **ARE THERE ANY ADDITIONAL CHARGES TO ME?**

During the course of this escrow, it may be required to utilize express mail or courier services to expedite the closing of your escrow. In such an event, you will be charged accordingly at the close of escrow for services incurred on your behalf. Please notify your Escrow Officer or your Real Estate Agent before escrow opens if this is not satisfactory to you, so other arrangements may be made.

#### **WHO WILL ORDER MY TERMITE REPORT AND ANY OTHER REPORTS I MUST PROVIDE?**

Please check with your Real Estate Agent about your reports. Usually the Real Estate Agent or the Seller will order any required reports. A copy of any report should be forwarded to the Escrow Officer for the Buyer.

#### **MY PROPERTY IS IN MY TRUST. WHAT WILL I NEED?**

You will need to provide a copy of your trust along with any amendments to the trust and provide a signed (and possibly notarized) Trust Certification. The Trust Certification will be in your escrow package. If one or more of the original Trustees is deceased, a copy of the death certificate will be needed.

#### **WHAT WILL I NEED TO HAVE MY SIGNATURE(S) NOTARIZED?**

For any notarization, you will have to provide proof of your identity by showing the Notary Public any one of the following: 1) An Identification Card issued by the State of California Department of Motor Vehicles; 2) A Driver's License issued by the Department of Motor Vehicles; 3) A Valid Passport; or 4) An Identification Card issued by any branch of the Armed Forces of the United States. Any of the above documents will be accepted if it is current or has been issued within the past five (5) years. Please check with your Escrow Officer regarding the notary fee that can be charged.

As you can see, being the Seller involves more than just packing to move. Your Escrow Officer is here to assist you in any way we can. Our goal is to close your escrow as quickly and as conveniently as possible for you. If you have any questions, we invite you to call and speak personally with your Escrow Officer. If we do not have the answer you need, we will help you find it. *Castlehead, Inc. Escrows provides service with a royal flair.*