

Closing

Upon approval by the lender, the deed and deed of trust (mortgage) are delivered to the title company for recording with the County Auditor. Verification of recording is given to the escrow closer who then "closes" the transaction.

1. Confirms receipt of lender's funds into the escrow account.
2. Disburses all escrow funds in accordance with all parties instructions, as follows:
 - A. Pays off all underlying debts or encumbrances on property and all bills submitted to escrow (pest inspections, septic pumping, chimney cleaning, roof repairs, etc.)
 - B. Pays real estate agents commission.
 - C. Pays seller the net proceeds of the sale.
3. Verbally notifies the seller, buyer and their real estate agents that the transaction is closed.

The buyer is now allowed possession of the property (unless otherwise agreed upon).



Keys to your new home.

Bellevue

13920 SE Eastgate Way, #210 / Bellevue, WA 98005
425.401.8400

Kirkland

12131 113th Avenue NE, #201 / Kirkland, WA 98034
425.820.1800

North End

2150 North 107th Street, #500 / Seattle, WA 98133
206.522.9490

Kent

116 Washington Ave North / Kent, WA 98032
253.520.0805

Renton

54 Rainier Ave South, #B / Renton, WA 98055
425.228.6448

Pacific Northwest Title Company

215 Columbia Street
Seattle, WA 98104

206.622.1040
206.343.1358 fax
www.pnwt.com



From Earnest Money to Closing...

The Life of a Real Estate Transaction

Pacific Northwest Title Company



Earnest Money to Closing...

Purchase & Sale Agreement

Once a Purchase and Sale agreement (sometimes called Earnest Money Agreement) is completed, the real estate agent deposits the earnest money in their Broker's trust account and delivers a full copy of the agreement to escrow.

Escrow

The escrow closer is a neutral party who holds and disburses the parties funds, prepares an accounting of the transaction, prepares certain documents to effect transfer under written instructions; all in accordance with the terms of the purchase and sale agreement.

The escrow closer reviews the purchase and sale agreement and title commitment for necessary information to comply with parties requirements for closing.

The escrow closer orders payoffs on underlying mortgages and/or contracts and any other monetary liens encumbering the property.

The escrow closer sends opening letters to the buyer and seller requesting information relative to the underlying encumbrances and other pertinent information not disclosed by the purchase and sale agreement.



Title Insurance

The seller provides an owner's title insurance policy to buyer; buyer provides a lender's title policy to the lender. The title company searches the records of the County Auditor, Assessor, and other governmental agencies to locate any documents that might affect title to the subject property.

A search of the general index (county clerk) will disclose bankruptcies, divorce, change of names, judgments, probates or other cases entered into the public records of the court.

A preliminary commitment or report is then issued revealing all matters of public record affecting subject property and involved parties. A copy of the commitment will be distributed to all parties involved in the transaction.

It is the responsibility of the escrow closer to clear title of all unapproved encumbrances.

Financing and Processing

The lender processes (underwrites) the loan to include the review of buyer's verification of funds to close, employment history, credit report and appraisal of the property. Upon loan approval, the lender's closing department prepares the package (loan documents) with specific instructions to escrow. The loan package is delivered to the escrow closer to prepare final statements, escrow instructions and transfer documents to closing.

Signing

After the escrow closer has reviewed the loan package, prepared the closing statements and transfer documents, appointments will be made with the buyer and seller to sign. Each buyer and seller will have the opportunity to review the documents and ask questions of the escrow closer. Once each is satisfied, they will sign the documents and the escrow closer will notarize them. The buyer's closing funds are deposited with escrow at this time, in the form of a wire transfer or cashier's check drawn on a Washington State Bank. Due to Washington State's Collected Funds Law, a cashier's check must be deposited with escrow, 24 hours prior to disbursement.

Lender Review

After all documents are signed, the escrow closer returns the loan documents to the lender for final review. Lenders ask that we allow 24-48 hours for this process. The escrow closer also requests loan funds from the lender at this time, usually in the form of a wire transfer.

