

**Congratulations! Your offer has been accepted. Now that you have opened escrow here is a list of what to expect:**

1. **INSURANCE:** Begin to research homeowners insurance. You will need to have insurance in place by the close of escrow.
  - a. You may want call your current auto or renter's insurance carrier or contact us for referrals.
  - b. If you are buying a condominium, you should also check with the insurance company that insures the building (this information can be found in the Homeowners Association documentation). This assures that the inside and the outside of your property are insured by the same company. In the event that a claim is filed, having the entire claimed handled by one company will help you avoid unnecessary stress and economize your time.
  
2. **LOAN:** Call your lender and let them know you have opened escrow. He or she will need a copy of the signed contract right away, and will order the appraisal now as well.
  
3. **INSPECTION:** Your contract likely calls for a buyer's investigation contingency. This could be anywhere from 3-17 days, depending on what we've negotiated. Regardless of contingency period, it is important that we schedule a home inspection and begin completing our due diligence as quickly as possible.
  - a. General home inspectors vary in price according to the property size and the scope of the inspection. The inspector will quote you a price when you schedule the inspection and you must bring a check to the inspection or pay over the phone with a credit card. If you do not have a general inspector of your own, I can provide you with referrals.
  
  - b. You may chose to schedule additional inspections immediately such as a geological, sewer or chimney inspection. Please see the extended vendor list for recommendations and feel free to

contact me in person to discuss the pro's and con's of each extended inspection.

- c. Inspections always reveal repairs that are necessary, and each escrow is different in terms of what we can expect from the seller. If the inspections uncover any major issues that you had not expected, we will then request that the seller remedy these issues prior to the close of escrow (or offer you a credit to handle yourself after escrow closes). Hopefully, both sides can agree on what repairs the seller will credit for or fix, and we can then remove our contingency and move forward. If for some reason you uncover something during the inspection that makes you change your mind about purchasing, or if you and the seller cannot agree upon repair issues, you have the option of backing out without losing any money (except what you have spent out of pocket for inspectors).
  
- d. During this time, it is important that you also explore any other factors in determining whether or not this is the right home for you. An investigation contingency is there to allow a buyer time to really dig deep and think about all the things that are important to them in this purchase. Do you want to pull permits? Do you like the neighbors? What about the school district? How is the commute?

4. **TERMITE:**As of January 2016, termite is no longer included as a part of the contract. During your investigation period, we will have a termite inspection and include our findings as a part of any repair request we submit.

5. **ESCROW:**

- a. **Deposit:** Upon opening escrow, you'll receive wire instructions and be asked to put a 3% deposit into an escrow account. Your deposit will be held in a 3<sup>rd</sup> party trust account until the close of escrow, at which point it will apply towards your down payment and closing costs. You will receive escrow instructions shortly after escrow is opened, and these will outline the terms of your deal including the contingency dates.
- b. **Escrow Instructions:** Please review and sign the documents in the escrow package and feel free to set up a time with me, if you would like, so that I can help you review this information. Some of the documents in the escrow package are :
  - i. **Preliminary Title Report:** This will let you know if there are any liens, encroachments, easements, etc. affecting title to the property.
  - ii. **Title Vesting Information:** You will be asked how you will take title to the property. Please consult an attorney with any questions regarding this.
  - iii. **HOA Documents:** This is applicable towards people who are purchasing a condominium, townhouse or single family residence within a Homeowners Association. It is a package from the Homeowners Association president and includes the association accounting information, minutes from the meeting and the CC&R's.

6. **CONTINGENCIES:** You have three possible contingencies: Loan, appraisal, and inspection. Contingencies must be removed in writing, unless specified otherwise in the contract. Your contingency periods for each are:

- a. Loan: \_\_\_\_\_.
- b. Appraisal: \_\_\_\_\_.
- c. Inspection: \_\_\_\_\_.

Each contingency is there to protect you, the buyer. The loan contingency says that the purchase you agreed to is contingent upon you getting the loan specified

in the contract. If you aren't approved for the loan, you can back out of the deal. Same goes for appraisal.

7. **DISCLOSURES:** You will get a stack of disclosures which will tell you about any matters affecting the property. I will go over these with you. Some important disclosures include:
  - a. **Natural Hazard Report:** This will tell you about any hazards, such as earthquake fault zones or fire severity zones, that are on or near the property.
  - b. **Transfer Disclosure Statement:** This will disclose any property defects known by the Seller and the Agents.
  - c. **Agent Visual Inspection Disclosure:** This disclosure requires both agents to do a thorough walk-thru of the property and note any conditions or issues they see. In additions, agents are required to disclosure any defect they have knowledge of, whether visible or not.
  
8. **CONTINGENCY REMOVAL:** Once the appraisal has been completed and reviewed, the loan has been approved and the investigations been completed, you are ready to remove your contingencies! This is done in writing, and is a buyer's way of saying that s/he is fully satisfied and ready to close this deal. Once contingencies have been removed, the buyer no longer has the option to cancel escrow without sacrificing the initial 3% deposit to the seller.
  
9. **CLOSING:** As we get closer to your close of escrow date, you'll be working with your loan officer to clear any conditions needed by the lender to begin generating your loan documents. Once the loan documents have been created, they will be sent to escrow to prepare for signing. You'll be contacted by escrow at this point to set up an appointment to sign your docs. You'll need to keep your schedule rather flexible during this time, as we are often in a rush towards the close and buyers need to be ready to sign docs once escrow receives them.
  - a. During the signing, you will receive a Buyer's Estimated Closing Costs Statement. This is a

record off all the debits and credits incurred by the buyer during the entire course of escrow (escrow fees, title fees, loan fees, any credits issued by the seller, etc). The total amount needed to complete your down payment and cover any closing costs will be included here, along with wire instructions.

- b. You need to **wire funds** by \_\_\_\_\_ . The escrow package you received included wire instructions, and you must make sure these instructions are received by the bank that is handling your wire in time for the funds to arrive at escrow two days prior to the close date.
- c. **Final Walk -Through** should be completed by \_\_\_\_\_. This is an opportunity for you to walk through the property prior to the close of escrow and verify that it is being delivered in essentially the same condition as when escrow was opened. The Seller is often present for this inspection and can use the opportunity to give you important information regarding the property, such as how to work the security system or names and numbers of vendors who work on the property.
- d. **Keys!** The last few days of an escrow are a whirlwind, so here's what you need to know:
- i. **Loan documents are signed, and returned to the lender, at which point escrow is given funding conditions.**
  - ii. Escrow will "fund" the loan the day before we close (your wire needs to be in escrow by this time as well). Once the funding is complete, we will be notified.
  - iii. The day after funding, the sale records with the county recorder's office. Again, we will be notified once this happens. The recording is what makes it official, and once the word is out and the file has been recorded, you can pick up keys, roll up your sleeves and move on in.

Important Information Regarding Your Escrow:

Escrow Company: \_\_\_\_\_ Phone:

\_\_\_\_\_ Escrow

Agent: \_\_\_\_\_

Escrow

Number: \_\_\_\_\_