

REO Sale Escrow Transactions

Escrow Closing Timeline

Processing escrow transactions for bank-owned properties differs from regular sale transactions. We felt it would be beneficial to you and your clients to provide a timeline of the escrow process from the receipt of buyer's loan documents to the recording of the documents and close of escrow.

This timeline represents a typical scenario with no title issues, vesting issues, homeowner associations, liens, etc., nor the seller's use of a power of attorney. Files requiring resolution of those issues can often take longer to close.

Process:

- ▶ Escrow receives loan documents. (Ideally, this would happen several days before close of escrow, but often they arrive closer to the requested signing date.)
- ▶ Escrow instructions and the Estimated Settlement Statement detailing all of the costs are usually prepared within 24 hours of receipt of loan documents.
- ▶ The Estimated Settlement Statement is then emailed to the buyer's agent and the loan officer for review/approval.
- ▶ Adjustments/changes are then made as necessary.
- ▶ A buyer's appointment is made for signing at a mutually convenient time for the buyer and escrow.
- ▶ The buyer signs the documents at our office or we may be able to have a mobile notary come to the buyer's place of business or home.
- ▶ Escrow sends all documents required to be signed by the seller to the asset manager for review and approval.

Seller documents cannot be sent to the asset manager until the buyer's loan documents have been received, reviewed, and statements prepared. All executed seller's documents are required to be in escrow prior to closing.

It can take up to 10 or more business days after the seller's documents are sent for escrow to receive the signed documents and Grant Deed back from the asset manager.

- ▶ After signing by the buyer, escrow sends loan documents to the buyer's new lender for review. When the seller's papers are returned, escrow requests funding. (New lenders usually take 24-48 hours to review and fund the loan once all papers are received.)
- ▶ The buyer's funds must be received by escrow the business day before closing.
- ▶ New lender wires loan funds to escrow.
- ▶ Escrow releases documents to record for the next available recording time.
- ▶ Documents are recorded.
- ▶ Escrow confirms recording with agents by the end of business day of recording.
- ▶ Funds and final Settlement Statements are disbursed after recording.

First American Title is dedicated to providing leading service to our customers. With all parties aware of the REO process, we hope to eliminate any unrealistic expectations concerning the closing of your transactions.



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