



INTER VALLEY E S C R O W

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La Canada 818 952-8999	San Fernando Valley 818 593-3464

What is Escrow?

Escrow is a deposit of funds and documents by one party for delivery to another party upon completion of a particular condition or event agreed upon by all parties to a transaction. All parties to the transaction- buyer, seller, lender or borrower- want the assurance that no funds or property will change hands until ALL of the instructions to the transaction have been followed. The Escrow Holder has the obligation to safeguard the funds and/or documents while they are in the escrow holder's possession, and to disburse funds and/or convey title only when all provisions of the escrow have been complied with.

Inter Valley Escrow acts as neutral third party in the escrow transaction to carry out the mutual instructions of the parties involved. We work closely with your Realtor and your Lender to fit together the many pieces of the transaction, assuring that the escrow instructions are adhered to within the specified time frame.

The Home Sale Process:

1. Draw escrow instructions according to your agreement.
2. Order a preliminary title report ("open an order") for the property being sold. This report reveals liens of record on the property and is our guideline to assure that title is conveyed with only the liens the buyer agreed to accept.
3. Order Statement/Demands from the Lender of record, Homeowner's Association or any other lien holder that affects the title to the property.
4. Bills for termite inspection, the home warranty plan, hazard reports, repairs, etc. are collected for payment through escrow. City reports, if applicable, are ordered.
5. When the buyer's new loan has been approved, we order the insurance policy from buyer's insurance agent. It is needed prior to the arrival of the Loan Documents.
6. As soon as the loan documents are delivered, we will estimate the closing costs and call the buyer's Realtor to arrange for an appointment to sign the loan documents and bring in the closing funds. (Some lenders will give us their charges verbally prior to sending documents to us... if so, we get a head start on the closing procedure.)
7. After buyer has signed all loan documents, they are sent to the lender with a request that the loan be funded. **YOUR ESCROW HAS NOT YET CLOSED. DEPOSITING CLOSING FUNDS INTO ESCROW DOES NOT CLOSE THE ESCROW... RECORDING THE DEED CLOSES THE ESCROW.**
8. Lenders have different time schedules... some fund locally and need only a few hours notice to fund and others will need a full day's notice. Some lenders fund out of the county or are funded by another agency and need as much as 2 days notice from the time they receive the signed documents back in their office.
9. After a lender verifies that they are in a position to release the loan funds, we call the title company to "set-up" the recording. Recordings are done in Los Angeles County at 8:00 a.m. The Title Company will re-check the county records the night prior to recording to ensure that no new liens have been recorded since the preliminary, title report was issued. On occasion, a new lien will appear and the recording will be "pulled: until a clearance of the new lien can be obtained. The

Title Company will call escrow to confirm, recording and give their charges. We then balance the funds of the escrow, type closing statements and disburse funds.
Escrow is now closed

The Refinance Transaction:

One of our specialties is refinance escrows. Some of our Escrow Officers specialize in this type of escrow because it allows them the opportunity to work directly with lenders and homeowners. For your refinance transaction, Inter Valley escrow offers:

- SERVICE that accommodates your high tech needs.
- Estimated Closing Statements to Borrower and Broker (lender) at time of opening.
- Personal Introductions by Escrow Officer upon opening escrow.
- Knowledgeable Escrow Professionals to handle loan document sign-ups.
- Competitive Rates, regardless of transaction amounts.

The refinance escrow is typically a little more streamlined than a resale escrow. The homeowner does not have to have a termite inspection or purchase a home warranty. There are fewer parties involved in the transaction, so communication moves a little faster. However, all the other steps are similar.

1. The escrow begins when your loan officer calls us to pen up an escrow file, and at that time we will begin gathering the information necessary to close the transaction.
2. A preliminary title report is ordered so that we can check the condition of the title to the property. If there are any liens showing, we will work with you and the new lender to make sure those are cleared.
3. A "demand" is sent to the previous lender to determine the exact payoff amount of the old loan.
4. Now the lender completes his or her job getting the loan approved and the loan documents sent to us. Refinances typically take from 30 to 60 days to complete, depending upon your lender and any credit difficulties which must be cleared. We will then ask you to come in to our office to sign the loan documents and the escrow instructions (be sure to bring your valid picture ID).
5. Once all the documents are signed, we will send them back to the lender for funding. The law requires a "three day rescission" period on all refinances, which means that we cannot record the new loan until three working days have passed after you sign the documents.
6. After the loan has funded, we call the title company to 'set-up' the recording. We request a wire transfer of your funds, then generate a check to pay off your old loan and make whatever other payoffs are specified within the written escrow instructions. That finishes our duties and closes the escrow file.

Advantages of Independent Escrow

	Independent Escrow Companies	Real Estate Broker-Owner Escrow Departments	Title Company Escrow Departments
State of California Regulating Body (If Complaints)	Dept. of Corporations (D.O.C.)	Dept. of Real Estate	Dept. of Insurance
Bonding Required	Yes	No	No
Manager Escrow Experience Requirements	Yes (4-5 Years)	No	No
Regular Operational Procedural Audits	Yes (Every 12-48 Months by the D.O.C. without any prior notice.)	No (D.R.E. Auditors go out only if a problem is encountered)	No
Independent Audits Required	Yes (Annually, too!)	No	Yes
Deposit Funds Protection	Yes Escrow Agents Fidelity Corp. (E.A.F.C.) Covers All Independent Licenses	Yes (D.R.E. Recovery Fund: Max \$20,000 per individual)	No
Escrow Officer Certification	Yes (For escrow officer employees of members of California Escrow Assoc.)	No	No
Net Worth Requirements	Yes	No	No
Liquidity Requirements	Yes	No	No
Escrow License Required	Yes	No	No
True Impartiality as a Third Party	Yes	Doubtful (Broker has financial interest in transaction.)	Doubtful Title company has other financial interest in transaction.
Background Investigations of ALL Employees, including photos and fingerprints	Yes	No	No