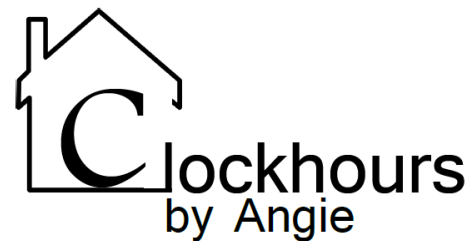




## ESCROW, ESCROW, OR ESCROW?



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*A Washington State Approved Real Estate School for Clock Hour Education under R.C.W. 18.85.*

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# CORRESPONDENCE CLOCKHOURS

## INSTRUCTIONS:

1. Print out the class.
2. Read the class booklet.
3. At the end of the material there is a quiz (all the answers are in the material that you have read).
4. Answer the questions.
5. Return to me the Quiz, evaluation and a check for the class payable to **CLOCKHOURS BY ANGIE**, or complete your credit/debit card information on the sheet provided.
6. Upon receipt, I will email you a certificate.

Disclaimer: I try very hard to have the latest known information on a subject in these classes, but, the real estate industry is forever changing with new updates all the time. The class materials are not to be used for legal advice. In our State, some items are handled different in the different regions. If you have any concerns, please do not hesitate to contact me at 509-216-3220 or at [clockhoursbyangie@gmail.com](mailto:clockhoursbyangie@gmail.com)

# **ESCROW, ESCROW OR ESCROW? CURRICULUM**

<b>Session/hours</b>	<b>Topics</b>	<b>Method of instruction</b>
1 <sup>st</sup> hour	What is Escrow? Review of PSA Review of title Docs are coming! Docs are here!	Read material -take test Or Live with power point and discussion
2 <sup>nd</sup> hour	Actual Purchasers signing Actual sellers signing	Read material -take test Or Live with power point and discussion
3 <sup>rd</sup> hour	Process docs back to Lender Funding& Recording Final steps	Read material -take test Or Live with power point and discussion

## **ESCROW, ESCROW OR ESCROW?**

This 3-clock hour class will focus on the entire “closing” process from the purchase and sale agreement to the keys.

### **COURSE OBJECTIVES:**

As a result of taking this class, the agent will be able to:

1. Know what happens once the Purchase and Sale Agreement arrives at the closing office.
2. Understand what it means “docs are out”.
3. Be able to sit through a seller’s signing appointment and understand what the client will be signing.
4. Be able to sit through a purchaser’s signing appointment and understand what the clients will be signing.
5. Have a clear understanding of the recording and funding process.

# WHAT IS ESCROW?

Under the Washington Escrow Agent Registration Act (RCW 18:44), escrow is formally defined as:

“Escrow means any transaction, except the acts of a qualified intermediary in facilitating an exchange under section 1031 of the Internal Revenue Code, wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which he or she is to act, to a grantee, grantor, promise, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.”



From Wikipedia, the free encyclopedia:

An escrow is:

An arrangement where an independent trusted third-party receives and disburses money and/or documents for two or more transacting parties, with the timing of such disbursement by the third-party dependent on the performance by the parties of agreed-upon contractual provisions, or an account established by a broker, under the provisions of license law, for the purpose of holding funds on behalf of the broker's principal or some other person until the consummation or termination of a transaction, or, A trust account held in the borrower's name to pay obligations such as property taxes and insurance premiums.

The word derives from the Old French word *escroue*, meaning a scrap of paper or a roll of parchment which indicated the deed that a third party held until a transaction was completed.

#### NOW, IN SIMPLE TERMS:

1. **ESCROW COLLECTIONS:** There are escrow collection companies that handle the “long-term” escrow collections for the “seller financed” contracts, notes and trust deeds, mortgage, leases, etc. These companies can be a “true” escrow collection company. They hold the original documents along with the release documents and they accept and process the payments and keep track of the accounting thereof. Or, they can be just a collection company, not holding the original fulfillment documents and only being responsible for the accounting and handling of the money.
2. **ESCROW RESERVES:** Lenders and escrow collection companies, will hold “reserve accounts” for taxes, insurance, assessments, condo dues, etc., where they will collect monthly for said items and hold the funds in their account until such a time that they are due and remit the payments from said “Escrow Reserve” account on behalf of the parties.
3. **ESCROW:** A real estate closing is also called an “Escrow”. Commonly you hear “docs have been sent to escrow”. It seems that different parts of the country either use the word “closing” or “escrow”.

In the NWMLS form 21 updated 10/22 there is a definition of Closing:

Line74-76:

*“Closing” means the date on which all documents are recorded and the sale proceeds are available to the Seller.” \**

There are typically two ways settlement (closing) is done in the United States:

1. Closing in escrow usually occurs in states in the western half of the United States. A title company, attorney or independent party holds the money, the signed deed and arranges for the transfer. This is primarily so the seller can give up ownership of the property and the buyer can hand over the payment without both parties having to be present at the same time. Escrow ensures an orderly transaction, or if something goes wrong, an orderly termination of the agreement. This is the typical transaction in the State of Washington.
2. On the eastern side of the United States, settlement (as closing is called) takes place on a specified date and time during which ALL parties (usually including the agents involved) meet at a settlement company presided over or supervised by a lawyer or settlement agent. At that time, the settlement agent disburses all funds listed on the settlement statement (in the form of certified or wired funds) and the property exchange takes place and the deed is recorded by the company

**\*NOTE FROM ANGIE:** I recently had an agent call me on a Friday about 4:00 and asked if her transaction was recorded and funded. I told her it was. She said her seller just called and said the money is not in her bank account, therefore I will not give possession to the purchasers until it is. I told the agent that I just talked to the seller and told her we didn't have recording numbers until 3:30 and it was too late for the money to be wired into the seller's bank account, but the wired was sent out and would be in her account in the morning. The agent did not know what to do. I told her that the loan is funded. The seller's payoff was sent out, and everything was disbursed. The seller's money is available to her, but she elected to receive her money by way of a wire. If she wants to come into our office right now, we will cancel the wire and issue her our trust account check which the bank will hold for at least three days because it is not a wire. The seller finally gave possession.

# Who can “close” in Washington State?

1. Attorneys
2. Title Companies (with LPO’s)
3. Independents (who would have two licenses) An Escrow Officer’s License from State of Washington, Department of Financial Institutions (DFI) and a Limited Practice Officer’s License (LPO) from Washington State Bar Association
4. Real Estate Brokers (yes, RCW 18:85 allows this)



Washington State is the only state in the United States that has a license called a **LIMITED PRACTICE OFFICER’S LICENSE (LPO)**, issued by the Administrator for the Courts, Washington State Bar Association. This limited license gives an individual the right to prepare certain closing documents that are on an “approved list” of documents, and perform routine closing functions under the rules approved. There are currently 780 LPO’s as of 12/22 - at one point there were over 2,200 licensed LPO’s.

## Limited Practice Officers

A limited practice officer, or LPO, is a person licensed by the Washington Supreme Court under Rule 12 of the Washington Supreme Court’s Admission and Practice Rules (APR). A LPO is licensed to select, prepare, and complete approved documents for use in closing a loan, extension of credit, sale, or other transfer of real or personal property. LPOs have a limited license to practice law, and are held to the same standard of care as a lawyer when performing the services authorized by the LPO license. LPOs are bound by the LPO Rules of Professional Conduct



NWMLS FORM 21 updated 10/22  
RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT

Page 3 of 6, lines 102-108 under **CLOSING COSTS AND PRORATIONS AND CHARGES AND ASSESSMENTS** gives the closer very clear instructions for the charges to be made on the closing statement.

Here is a review of that paragraph:

- *Seller and Buyer shall each pay one-half of the escrow fees unless otherwise required by applicable FHA or VA regulations.*
- *Taxes for the current year, rent, interest and lienable homeowner's association dues shall be pro-rated as of Closing.*

**NOTE:** If there is rent to pro-rate or damage deposit please remember to give that information to your closer ahead of time so that those charges/credits can be on the closing statement.

- *Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement.*
- *If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by Seller.*
- *Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent.*

**NOTE:** This is an item that is commonly missed at closing and causes problems after closing. If you know that the heat source is "oil or propane" please be sure to get this information to the closer prior to the signing appointment.



Also, at the time of the preparation of the closing statement by the closer, the utility company is contacted to see how much is owing at that time and what they will estimate the new charges to be up to the projected closing date so the closer will hold back enough funds from the seller to satisfy the amount owing on the final bill.

- *Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No 14, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach Form 22K Identification of Utilities or equivalent).*

**NOTE: SEE FLYER ON FORM 22 K INFORMATION**

- *Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing.*
- *Seller will pay such charges that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No. 13.*

***Please be sure to complete the 22K - many agents leave it blank!***

NOTE: Your Closer will refer to the Purchase and Sale Agreement whenever there is a question regarding who will pay for what. The default language will be relied on unless there is “written” language on some other document that will supersede the default language.



# NWMLS Form 22K: Identification of Utilities

The following is a list of names, addresses, and phone numbers of utility companies commonly used to help you complete NWMLS Form 22K

<p><b>Avista Utilities</b> 1411 E Mission Ave Spokane, WA 99202 1-800-227-9187</p>	<p><b>Orchard Avenue Irrigation</b> 8101 E Buckeye Ave Spokane, WA 99212 1-509-926-4563</p>
<p><b>Cheney City Utilities</b> 609 2<sup>nd</sup> St Cheney, WA 99004 1-509-489-9209</p>	<p><b>Pasadena Irrigation District #19</b> 9227 E Upriver Dr Spokane, WA 99206 1-509-926-5335</p>
<p><b>Cheney Public Works</b> 122 Anderson Rd Cheney, WA 99004 1-509-489-9293</p>	<p><b>Pioneer Water</b> P.O. Box 30907 Spokane, WA 99223 1-509-951-0171</p>
<p><b>City of Spokane Utilities</b> 808 W Spokane Falls Blvd Spokane, WA 99201 1-509-755-2489</p>	<p><b>P.U.D. #1 of Stevens County</b> P.O. Box 592 Loon Lake, WA 99148 1-509-233-2534</p>
<p><b>City of Medical Lake</b> P.O Box 369 Medical Lake, WA 99022 1-509-565-5008</p>	<p><b>Solid Waste Management</b> 1026 W Broadway Ave Spokane, WA 1-509-477-6800</p>
<p><b>City of Ritzville</b> 216 E Maine Ave Ritzville, WA 99169 1-509-659-1930</p>	<p><b>Spokane County Sewer</b> 1026 W Broadway, 4<sup>th</sup> Floor Spokane, WA 99260 1-509-477-3604</p>
<p><b>Consolidated Irrigation District</b> 120 N Greenacres Rd Spokane Valley, WA 99016 1-509-924-3656</p>	<p><b>Spokane County Water District No. 3</b> 1225 N Yardley St Spokane Valley, WA 99212 1-509-536-0121</p>
<p><b>East Spokane Water District</b> 704 S Coleman Rd Spokane Valley, WA 99212 1-509-926-6072</p>	<p><b>Spokane Valley Waste Management</b> 11321 E Indiana Rd Spokane Valley, WA 99206 1-509-924-9400</p>
<p><b>Inland Power and Light</b> 10110 W Hallett Rd Spokane, WA 99224 1-800-747-7151</p>	<p><b>Town of Fairfield</b> 218 E Main St Fairfield, WA 99012 1-509-283-2424</p>
<p><b>Liberty Lake Sewer &amp; Water</b> 22510 E Mission Ave Liberty Lake, Wa 99019 1-509-922-5443</p>	<p><b>Trentwood Irrigation District 3</b> 4402 N Sullivan Rd Spokane, WA 99216 1-509-922-7532</p>
<p><b>Moab Irrigation District</b> 25805 E Trent Rd Newman Lake, WA 99025 1-509-226-0545</p>	<p><b>Vera Water &amp; Power</b> 601 N Evergreen Rd Spokane Valley, WA 99216 1-888-774-8272</p>
<p><b>Model Irrigation District #18</b> 1424 S Pierce Rd Spokane, WA 99206 1-509-926-5759</p>	<p><b>Whitworth Water District #2</b> 17401 N Newport Rd Mead, WA 99021 1-509-466-0550</p>
<p><b>Modern Electric Water Co.</b> 904 N Pines Rd Spokane Valley, WA 99206 1-509-928-4540</p>	

# Purchase and Sale Agreement Arrives at the Closing Office

After many hours, days, weeks or months, spent with the purchaser or the seller, you now have a signed around Purchase and Sale Agreement. The Purchasers have written a check for their earnest money deposit and depending on your office policy, you will do one of the following two:

1. Deposit the check into your company trust account
2. Deliver the check to the designated closer, closing agent, Title Company or attorney.
3. Have the Purchaser deliver the earnest money check directly to the closer. If you do this, **PLEASE** be sure to send a copy of the PSA to the closer prior to your purchaser arriving with the check. Most closers cannot accept an earnest money check if they don't have a PSA to set up the file in order to generate a receipt of the earnest money to all parties. **(CLOSERS AROUND THE STATE THANK YOU FOR DOING THIS IN ADVANCE!)**



**Who sends or delivers the Purchase and Sale Agreement to the closer?**

***Answer: Everyone!***

The closer will receive numerous copies of the Purchase and Sale Agreement. Usually the selling agent will email or deliver it to the closer. Sometimes it will be both agents. There are times the seller will drop off a copy or email, or the Purchaser will deliver the earnest money check and a copy of the Agreement.

And, most of the time, once the Purchasers have met with the lender of their choice, the lender will email or fax over a copy of the Agreement to the closer with the

instructions to add the lender to the title, the amount of the loan, and how they want their name to read on the policy the purchaser will be buying for the lender.

And, you will be surprised, no, maybe you won't be, but of the 2-5 copies of the Purchase and Sale Agreement the closer receives from the various parties, the number of pages is never the same! **NEVER!** Sometimes it is just the 5-page Form 21, and sometimes it is **UP TO 30** pages of **ALL** the pages signed with the agent. Many are not even needed by the closing agent in order to prepare the closing, but they are sent anyway Especially the Seller Disclosure Statement that is not part of the PSA. The closer will sort all the various pages received to make sure they do have all the documents necessary to prepare the closing papers.

Your closer would rather have extras or unneeded copies than to have one missing that could make a big difference in following the instructions.

## **WHAT IS NEXT?**

- Closing agent will read the Purchase and Sale Agreement and any addendums
- The closer or an assistant will input all the information provided and create the opening packages that go to both the purchaser and seller requesting certain information in order to proceed.
- If the title report was not opened as a "listing preliminary", it is opened now with instructions for copies to be sent to both agents, lender, purchaser and seller. If title was previously opened, then the title company will do a "**revised report**" adding the purchasers, sales price, lender and loan amount. Most title companies do not do "supplementals" anymore. So, each time there is a change, you get an entire new report. So, be very careful to be working on the most recent report each time it is updated.

**IT IS VERY IMPORTANT THAT THE BUYER AND SELLER COMPLETE THE OPENING PACKAGE INFORMATION AND RETURN TO THE CLOER AS SOON AS POSIBLE TO NOT DELAY THE CLOSING PROCESS.**

**PURCHASER WILL RECEIVE:**

1. Letter indicating to the purchaser who the closer is and their contact information
2. Request for Buyer Information to be completed and returned to the closer either by email, fax or mail
3. Cyber Security Flyer
4. Admission to Practice Rule 12, stating the closer is a Limited Practice Officer

## **SELLER WILL RECEIVE:**

1. Letter indicating to the seller who the closer is and their contact information.
2. Request for Seller Information to be completed and returned to the closer either by email, fax or mail.
3. Admissions to Practice Rule 12
4. Certification of Non-Foreign Status Individual as Seller/Transferor.
5. Disclosure and Consent to Electronic Delivery of Seller Closing Disclosure
6. Cyber Security Flyer.

## **NOTE FROM ANGIE:**

One thing that may hold up a “rush” closing is the seller’s payoff. One thing that would help all your closings is when you are listing the property, include a form for the seller to sign at that time called “borrower’s authorization”.

**This form in on the next page.**

It is a form that the seller will complete with name, address and their loan number and that they are giving the closer authorization to order the payoff of the seller’s loan that is against this property. By having this sent to the closer with the PSA saves a lot of time. Just a suggestion!



**BORROWER'S AUTHORIZATION  
TO RELEASE INFORMATION**

Escrow No.:  
Borrowers:  
Property:

To whom it may concern:

I/we hereby give our consent for the release of any and all payoff information, including amount of all funds due, covering the property referenced above to WFG National Title Company of Eastern WA and accept the fees associated with the issuance and/or fax of a payoff demand. Should it become necessary to disclose the nature of this transaction to a lienholder in order to procure a payoff demand, you are authorized to do so.

A copy of this authorization may be accepted as an original.

Dated this \_\_\_\_\_ day of January, 2023

\_\_\_\_\_

\_\_\_\_\_

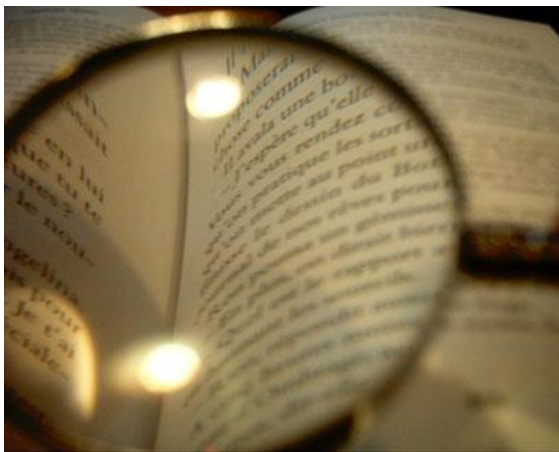
# CHANGES TO THE INDUSTRY EFFECTIVE 10/3/15

For more than 30 years, the federal law has required all lenders to provide two disclosure forms to consumers when they apply for a mortgage and two additional short forms before they close on the home loan. These forms were developed by different federal agencies under the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA). To help simplify matters and avoid the confusing situations consumers have often faced when purchasing or refinancing a home in the past, the Dodd-Frank Act provided for the creation of the **Consumer Financial Protection Bureau (CFPB)** and charged the bureau with integrating the mortgage loan disclosures under the TILA and RESPA. It's important to remember that these changes are being done to empower the consumer to make the best financial decisions.

*"The goal of these new forms is to increase consumer understanding. They didn't think consumers had a very good idea of what they were getting into, especially first-time homebuyers. They don't understand the terms; they don't understand how a mortgage works or how payments can change. The CFPB really tried to make the consumer aware of what is going on. They want them to know that when a consumer sits down to sign for a loan, they understand all sides of that loan."*

***"It's important to understand that this new regulator's (CFPB) primary obligation and mission is consumer protection."***

*"It's a very different reality with them today than with regulators of the past. It's the right thing and our industry is supportive of it, we simply have to be aware that the focus isn't going to be on the ease or facilitation of industry operational concerns.*



*Accountability to consumers is the singular lens through which all topics are viewed."*

The Bureau has now finalized a rule with new, integrated disclosure - Integrated Mortgage Disclosures under the Real Estate Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z). The TILA-RESPA rule also provides a detailed explanation of how the forms should be filled out and used.

**FIRST**, the Good Faith Estimate (GFE) and the initial Truth-in-lending disclosure (initial TIL) have been combined into a new form the **LOAN ESTIMATE**. Similar to those forms, the new loan estimate form is designed to provide disclosures that will be helpful to consumers in understanding the key features, costs and risks of the mortgage loan for which they are applying and must be provided to consumers no later than the third business day after they submit a loan application.

**SECOND**, the HUD-1 and the final Truth-in-lending disclosure (final TIL and, together with the Initial TIL, the Truth-in-lending forms) have been combined into another new form **The CLOSING DISCLOSURE**, which is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. This form must be provided to consumers at least three business days before **consummation** of the loan. The forms use clear language and design it to make it easier for consumers to locate key information such as:

- Interest rate
- Monthly payments
- Costs to close the loan
- Whether they can afford the loan
- Comparisons of the cost of different loan offers

## What transaction types are affected?

The new rules and the new forms apply to all closed-end consumer credit transactions secured by real property, other than reverse mortgages, which include the following types of loans:

- Purchase money
- Refinance
- 25 acres or more
- Vacant land
- Construction only
- Timeshare

## What transaction types are exempt?

Consumer loans exempted from the new rules and the new forms are as follows:

- Home equity lines of credit (HELOCs)
- Reverse mortgages
- Mortgages secured by a mobile home or by a dwelling that is not attached to real property
- Loans made by persons who are not considered “creditors”, because they make five or fewer mortgages in a year. (An example would be seller financed transactions) Creditors will be required to issue a TILA disclosure and Good Faith Estimate (GFE) on these types of loans. Settlement agents will be required to use a 2010 HUD-1 settlement statement to close these types of loans.

## WORKING WITH THE SETTLEMENT INDUSTRY:

The rule states that the lenders are responsible for the production and delivery of the **Closing Disclosure**, something that has always been completed by the settlement industry. It does say that lenders may choose to use settlement agents to provide these forms; however, each company must determine for themselves how they want to proceed.



*“For many years, the way the industry has worked is the title companies and attorneys have handled the preparation of the HUD-1 and acted as the third-party intermediary that holds the funds and prepares the report, the HUD-1, which tells everybody what they owe, what they are getting, etc.” Brashier said. “The CFPB (Consumer Financial Protection Bureau) said no longer is that the case. You still close at a title company or attorney, but all the data that the title company or attorney typically has been putting together on the form is now going to be prepared by the lender and you cannot have any changes within three days of the date the purchase goes through.”*

Most lenders have made their decision and informed the closing agents they work with that although they still will be working closely with settlement agents to close transactions and gather necessary information, they will be creating and providing the **Closing Disclosure** to their customers. All agree that regardless of who provides the forms, lenders and settlement agents will need to work closely together to gather the information necessary to complete the Closing Disclosure.

Remember, the lender is responsible for compliance. Therefore, many lenders will want to control the generation and delivery of the borrower’s **Closing Disclosure** to consistently meet internal compliance and regulator expectations.

The lender will send the closer by way of email documents that need to be completed and returned back to the lender. They will request certain fees that only the closer can produce such as title fee, closing fee, and recording fees.

The lender will send the closer a statement of the purchaser's costs or a preliminary copy of the closing disclosure so the closer can "mirror" these costs into their own system and then prepare the seller's closing disclosure.

**NO MATTER WHO PREPARES THE "CLOSING DISCLOSURE" THE BORROWER MUST RECEIVE THIS DOCUMENT 3 DAYS PRIOR TO THE SIGNING APPOINTMENT. THE CONSUMER FINANCIAL PROTECTION BUREAU PLACED THIS RULE INTO EFFECT SO WE WOULD HAVE "BETTER INFORMED CONSUMERS".**

Delivery of the "CD" to the borrower can be many various ways:

1. Emailed to the borrower by the lender for review
2. Emailed to borrower by lender and then contacted to arrange a time for a person working for the lender to review the "CD" line by line on the phone
3. The loan officer or another person employed by lender arranges to meet the borrower to review the "CD" in person.
4. The loan broker contacts the closer and arranges a time for the borrower to review the "CD" with the closer 3 days prior to signing appointment.
5. Some lenders are complying with the 3-day rule, and there are some that are getting the "CD" out to the borrower 10-14 days prior to the signing appointment.



Some lenders require the borrower to sign the "CD" and scan the signature page to them prior to the signing appointment so they will have proof in their file.

Once this is done, then the lender will deliver loan documents to the closer. Some lenders will send all the closing documents to the closer when the "CD" is ready so they have it ahead of time and can arrange to have the seller execute their documents.

**OR, IF THE TRANSACTION IS "EXEMPT" FROM THE "CLOSING DISCLOSURE", THE HUD-1 WOULD BE USED OR A CLOSING STATEMENT.**

1. Closing disclosure (FHA, VA or Conv after 10/3/15)
2. Hud-1 (see exempt list)
3. Settlement closing statement (cash or seller financed)

## **DOCS ARE OUT!**

Once the lenders documents are received by the closer, the closer is ready to proceed.

The closer will have the following on their desk necessary to prepare the closing:

1. Purchase and Sale Agreement and any addendums
2. Preliminary title report and any supplementals
3. Payoffs
4. Lenders Instructions
5. **Closing Disclosure for Purchaser** prepared usually by the lender, unless it is an exempt transaction, then it would be a **HUD1** or a **settlement statement** that the closer will prepare for both purchaser and seller.

A very important item to understand at this time is the closer will need to input all the information the lender has in the closing disclosure and will adjust any items that may have been estimate. Usually the items are pro-rates and recording fees.

The closer will then send their adjusted 'CD' to the lender to approve prior to setting the appointment for the borrower.

Many lenders tell their borrower's not to get their cashier's check or arrange their wire until they hear from the settlement agent.

The closer will read the lenders instructions and prepare the balance of the documents.

## **IF THE TRANSACTION IS A HUD-1 OR SETTLEMENT STATEMENT**



After the closer has prepared the HUD settlement statement, the closer will email or fax to the lender for their approval. Many times, lenders will have the closer move an item or two around on the HUD on another line, which could result in different amounts required for the bottom line for the purchasers to bring to closing. This could go back and forth between the closer and the lender a few times until final

approval is put on the HUD by the lender.

The closer can then schedule appointments and inform the purchaser or their agent how much money they will need to bring to their signing appointment. Funds must be in a cashier's check payable to the closing agent or attorney or wired funds into their trust account.

Now, let's review an actual HUD-1:

### **SEE HANDOUT # 3 HUD SETTLEMENT STATEMENT**

Page 1 of 5:

The first one third of the page will have names and addresses of the borrower, seller and lender. Then, it will list the property location, settlement agent.

You will note that there are 5 different areas for dates:

1. Settlement date
2. Pro-ration date
3. Funding date
4. Disbursement date
5. Signing date



(Five does seem a little bit much, huh?) But it was decided that all these dates were needed based on certain requirements of the lenders.)

The left side of the page will list all the borrowers' charges/credits and the right side will be the seller's charges/credits.

Pages 1 and 2

At closing, most closers, when presenting the document to the purchaser or seller will typically start with page 2 as the bottom line numbers are carried to the front so it makes sense.

**Let's start with a review of the purchaser's side:**

Lines 700-1305 will list all the charges. Many times, the purchaser will bring along a copy of their good faith estimate and compare the charges on that document with the HUD-1.

The charges are broken down into three groups:

1. Lines 800-808: These amounts must be exactly as quoted on the good faith estimate.
2. Lines 1100 - 1206 - These amounts can change by up to 10% without causing the lender to have to re-do the good faith estimate and wait the required number of days to close or agree to credit the purchaser for the difference it is off which is called a "tolerance"
3. 1300-1305 - these charges are for services that the seller or purchaser can shop for, therefore can be subject to change and the lender will only be able to give an estimate on the good faith estimate that they are not responsible for.

Line numbers 900-1007 are all based on interest, taxes, insurance and assessments. Any of these can change based on actual amounts of the policies or the amounts of record and then are subject to pro-rate dates then are subject to change based on funding date.

Now, the total amount that is on line 1400 is then carried forward to page 1 under 103.

The closer will now review the first page with the purchaser. We start out with sales price, and then add the settlement charges from page 2, then pro-rates to a total on line 120. Starting with line 200, the loan amount is listing, any deposits the purchaser may have and the credit for the seller's owner's policy, with a total of that section on line 220. Then line 301, gross amount due from borrower is subtracted from line 302, less amount paid by/for borrower and on line 303 it will show how much money the purchaser will bring to closing or receive back.

**Now, we will review the seller's side:**

Line 700-1305 will list the charges, for a total on line 1400 that is then carried forward onto the first page under line #502. We then review page 1 starting out with the sales price and then any pro-rates for a total on line 420; Then from lines 500-519 charges to the seller, and a total online 520. We then take the total amount due to seller, line 601 and subtract line 602 for a net to the seller on line 603 which would be the proceeds or the amount they would need to bring to the closing table.

Page 3:

This page is the page we call the "lender's" section. It will break down for the purchasers what the "three" different categories of charges there are.

1. Charges that Cannot change
2. Charges that in total cannot increase more than 10%
3. Charges that can change

Page 4:

This is a separate page to put any payoff information on, if any

Page 5:

This is the signature page for the seller, purchaser and the closer

# **IF THE TRANSACTION IS A “CLOSING DISCLOSURE”**

## **HANDOUT #4 - CLOSING DISCLOSURE FOR PURCHASER**

### Page 1

- The loan term table
- The projected payments table
- The costs due at time of signing

### Page 2

- The loans costs
- And other costs

### Page 3

- Calculating Cash to close table
- Summaries of transactions tables

For transactions without a seller (refinance) Payoffs and Payment tables may be substituted for the Summaries of Transactions table and placed before the alternative calculating Cash to close.

### Page 4

- Loan disclosures
- Adjustable payment
- Adjustable interest rate (AIR)

### Page 5

- Loan Calculations
- Other disclosures
- Questions notice
- Contact information
- Confirm receipt

This closing disclosure must be received by the purchaser, reviewed and acknowledged and return to the lender at least three days prior to the signing appointment.



Many times, this closing disclosure is not sent to the settlement agent at the same time. The closer may not get a copy of it until the day the balance of the loan documents are sent, which could be the day of signing. The closer will then input all the charges/credits the lender has on that document and they will adjust some of the items the lender estimated such as the recording fees, prorates, and HOA's. Then the lender will send

this corrected copy to the lender for approval. After that is done, the closer will send a copy of a settlement statement to each real estate agent for review and approval, hopefully prior to the signing appointment!

**One of the things I like to point out in this class is the form from the Spokane Association of Realtors Form SAR SA 10/15:**

***LENDER RELEASE OF CONSUMER DISCLOSURE INFORMATION.** Each buyer acknowledges that the listing real estate brokerage firm and its assigned broker(s), selling real estate brokerage firm and its assigned broker(s), and the Closing Agent may be able to assist in identifying and correcting information contained in any Disclosure Statement or similar document provided to Buyer(s) in connection with any loan being obtained for the purchase of the Property. Accordingly, each Buyer consents to disclosure of any Disclosure Statement or similar document to all of the above and directs the lender(s) involved in this transaction to provide full disclosure of such Disclosure Statement or similar document to each of the above at the same time such information is disclosed to Buyer(s).*

## SCHEDULE OF THE SELLERS APPOINTMENT

The closer will contact the real estate listing agent to coordinate the seller's signing appointment or will contact the seller directly to line up the appointment, whatever the instructions of the agent are. The seller's appointment usually lasts between 15-20 minutes, depending on the questions and the review of the documents by the sellers. The sellers must bring acceptable valid picture ID to the closing and the closer will need to take a copy of the ID to keep in the closing file so they are able to notarize their signatures. Also, if they are requiring their net proceeds to be wired to an account of theirs, they should bring a voided check or a deposit slip so the closer can have the necessary information. Depending of the type of loan the purchasers are getting, there may be documents in the closing that would require the signature of the sellers, also.



### REVIEW OF COMMON DOCUMENTS SIGNED BY SELLER:

1. **All terms and conditions form:** This form merely says that all terms and conditions have been met. There are no “side agreements” or “verbal” agreements at this time.
2. **Closing statement:** This is a one-page document that lists the debits and credits and the bottom line shows what the sellers net proceeds will be
3. **HUD Settlement Statement or Closing Disclosure:** Generally, this document is 4-6 pages long. It will list everything about the closing on certain line items and it will end up on page 2 at the bottom with the net proceeds to the seller identical to the “closing statement” listed under 2 above.
4. **Addendum to Closing Disclosure:** This document is used if there is a Closing Disclosure. The seller has to sign a statement that says *“I have carefully reviewed the Closing Disclosure and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further confirm that I have received a copy of the Closing Disclosure.”*
5. **Warranty deed:** This document is margin sensitive. When the seller signs, this document the closer will be sure to point out that the signature cannot go in the 1”

margin on any of the three sides or the required 3” margin at the top. This is because when that document goes to the Courthouse to be recorded in the recorder’s office it fits in a “templet” prior to recording and if anything is in the required margins, they reject it and it does not record. They then ask for either a new deed signed AGAIN by the seller or authorization to put a cover page on the document but that costs an additional \$50.00; the deed is the document that conveys the seller’s interest to the new purchasers. The closer will be sure to have the purchaser acknowledge a copy of this document to be sure they have the purchasers name spelled correctly as this is how it will be entered in the County.

6. **Excise tax affidavit:** This document sets out many important items for the County records. It will show the seller, the purchaser and who the future taxpayer will be. Many times, the purchaser establishes a reserve account to handle future taxes and this is where the lender or servicing company’s name and address will be so the Treasurer is informed of whom to send the future tax bills to. Also included on this form sets out the type of land and whether it is classified and if so whether it will continue to remain in classification or not. Of course, further down shows the sales price and finally how much excise tax is due to the County. Excise tax in the State of Washington is based on the sales price. Both seller and purchaser acknowledge this document. It comes in 4 identical copies, but they only need to sign the first page.

- **State portion of**
- **1.28 Will change as follows:**
- **1.1% for sales below \$500,000**
- **1.28% for sales between \$500,000 to \$1,500.00**
- **2.75% for sales between \$1,500,000 to \$3,000,000**
- **3% for sales over \$3,000,000**
- **(And these are calculated as tiers up to)**
  - **And, remember that is just the State’s portion, now we will add to that the .25% or .50% the municipalities elect, so in our area below \$500,000 would be 1.1, 1.36 or 1.6**

7. **Utility holdback agreement:** This document will set out how much the closer has decided to hold back from the seller in order to pay any lienable utility charges due at closing.
8. **Notice regarding closing services (APR12):** If your closer is a Limited Practice Officer, this document is required. It set outs who your LPO is and the number they were assigned when they became an LPO from the Washington Bar Association. It also states that the LPO cannot give legal advice and must refer you to an attorney.
9. **Certification of reporting - IRS 1099 reporting form:** This document will need to have the seller insert their current mailing address, whether they are an individual or a corporation and insert their Taxpayer Identification number. Next will be whether this is their primary residence or not; and, one more thing, whether they used any part of the home for business purposes. Based on what they enter on this form will determine whether the closer will report the sales price to the IRS or not.
10. **FIRPTA form:** The seller will state whether they are foreign citizens or not. They will need to enter their TIN; If they do not have one, then at this time the closer will have to determine whether the seller is subject to 10% of the sales price holdback until the IRS sends the necessary documents to the closer to remit the money directly to the IRS or refund back to the seller.
11. **Closing Instructions:** These are the documents that are sent to the seller at the open of escrow and if the seller did not sign and return them, then they are now signed
12. **Misc. documents:** Based on the type of loan the purchaser has obtained (FHA, VA, and USDA) the lender may have additional documents for the seller to sign.

## **NOTE FROM ANGIE:**

**Per TRID, the seller must be sent a copy of the Closing Disclosure prior to the purchaser “consummating” their CD, or sign before the purchaser.**

# SCHEDULE OF APPOINTMENT WITH PURCHASERS

The purchaser's closing appointment is usually 45-60 minutes, once again depending on the time they need to read and sign (and understand) the documents. The number of documents placed in front of them is usually intimidating in size, but there are only 3 things that the purchasers are interested in and they are normally addressed up front to make the process seem less intimidating:

1. Amount of money to close
2. Interest rate
3. Payment amount



## SHOW ME THE MONEY!

When the purchasers make the appointment for their signing, they will be told how much money they will need to bring to closing for the final amount of their down and closing costs. This amount should not differ more than a few dollars from what the Lender told them previously. If it does, they need to say something to the closer so the closer can check again with the lender.

The funds will need to be one of the following two:

1. Wired funds - the closer will provide wiring instructions in advance - and will give you specific instructions to watch out for **WIRE FRAUD**.
2. Cashier's check payable to the title company, attorney or closing company delivered to the company at least the day before funding in order to be deposited and cleared accordingly to the Good Funds Act.



Every single type of funds defined in the Act is subject to delay in credit to the account except a wire!

According to a typical bank Funds Availability Policy here is a time frame associated with each type of deposit and the amount of time before it is guaranteed as credited to the account:

- Wired funds - only funds guaranteed immediately available for disbursement
- Cashier's check - 24-72 hours if local, 5-10 days if out of state
- U.S. Gov Check - 24 hours - requires verification through federal funds system
- Company "trust" account - treated like a personal check- 3 to 14 days before absolutely credited to the account.
- Personal check - 3 to 14 days to clear and be credited to the account.

**Everyone has a favorite story to tell about a closing, and here is one I'd love to share that came from the east coast:**

It was the summer of 1973. The closing was a home purchased by a couple who was planning to retire to Florida. They were buying a \$40,000 house and getting a \$28,000 loan from their bank in New York. When the day of closing arrived, the couple arrived at the title company ready to close. Since the lender had already wired loan proceeds, the closer proceeded to go over the settlement statement and advised them of their bottom line to close was \$13,199. The husband then placed a milk pail on the table and started taking out wads of money from it. For the next hour, the closer counted out \$10s, \$20s, and \$50s, to ascertain if the right amount of money was there. After counting, it was determined that the pail only contained \$11,000. They did not have enough money to close! The wife piped up, "*Henry, you got the wrong bucket; go get the other one*". Henry went outside to the car and exchanged the bucket with the \$11,000 for another milk pail from the trunk of their car, and the process started over again. Fortunately, the second bucket contained enough cash for the closing and it proceeded without further issues!

**HOW SIMPLE WAS LIFE BACK THEN.....**

Now we have such strict measures in place because of all the fraud.

The following is an example of the types of documents that will need to be signed at signing appointment, based on the lender's requirements:

1. **All Terms and Conditions** – same as sellers
2. **Review of preliminary title:** this is where the purchaser will have a chance to review the title report one more time to be sure they have an understanding of what will remain on the title once the deed is recorded to them.
3. **Closing Statement** – same as sellers but instead it has the purchaser's debits and credits
4. **HUD-1 OR Closing disclosure**– same as sellers;
5. **Borrower's certification:** This is a lender document which states that the purchaser has not incurred any additional debt, changes in employment, or marital status since making application.
6. **If an FHA or VA loan, Amendatory Clause:** This document states what the appraised value is and is the "escape clause" for the purchaser if the appraisal did not meet the sales price.
7. **Promissory note:** This document will set out the loan amount, the interest rate, the length of time of the note and the principal and interest portion of the payment. Also, included is the late charge terminology.
8. **Deed of trust:** This is a margin sensitive document. When it is sent to the recorder's office to be recorded it must go into a template and there cannot be any writing in the 3" at the top of the page, nor anything in the 1" margin on the two sides or the bottom. So, when the purchaser signs this document the closer will be sure to disclose this ahead of time so that the document is not rejected at the courthouse which will delay recording AND, we don't want that! This is the document that the purchaser signs giving the lender a beneficial interest in the property for the amount of the loan and the terms.
9. **First Payment Letter:** The lender will set out on this form when the first payment is, what the total amount is, what the amount will be if it is late and where it is remitted to.
10. **Address certification:** The purchaser signs and certifies that the address of the property is correct and where do they want the correspondence from the lender to be sent to. If the purchaser wants to use a PO Box or different address, this would be the form to put that information on.
11. **Reserve Account Disclosure:** This will set out what the reserve account will be for one year and how much will be collected towards the insurance, taxes or assessments.

12. **Federal truth in lending:** This document will set out how much the purchaser will pay in principal and interest over the term of the loan and then set out the APR rate.
13. **Quality Control Release:** This document will inform the purchaser that the lender may contact the purchaser sometime in the future to ask how they did during the loan process. Were all their needs and questions answered?



14. **Borrower's income certification:** Once again the purchaser will certify there have been no changes in income, debt or marital status since making application.
15. **Occupancy certification:** This document will state that it is the purchaser's intent to use this home as their primary residence and intent to occupy the home within a certain number of days.
16. **Flood insurance certification:** This document will let the purchaser know if they are in a flood district or not. If they are, they will have already been informed by the lender and flood insurance would be required.
17. **Signature affidavit:** The purchaser will sign their name as their "true and exact signature" Sometimes on credit the borrowers name is shortened or spelled wrong and this would be the time they would acknowledge that they are one and the same.
18. **Hazard insurance authorization:** This document sets out who the insurance agent is and what the coverage is that they understand they must keep the property insured at all times or the lender will place their own insurance.
19. **Certificate of loans to one borrower:** This document is where the purchaser certifies that they have not signed any other paperwork at another lenders office that would encumber the property they are purchasing. **Appraisal acknowledged:** The purchaser will state that they received a copy of the appraisal prior to the signing appointment.
20. **Certification of conditions met:** This document will state that if there were any conditions, they have been met to the purchaser's satisfaction prior to the signing appointment.
21. **Request for transcript of tax return:** The purchaser will enter in their social security number and give permission for the lender to obtain a copy of a certain year's tax

returns in a specified amount of time if needed by the lender or a lender who will be assigned the loan.

- 22.Request for taxpayer ID:** The purchaser will be required to certify that the social security number on the form is their number.
- 23.Escrow Instructions from the lender:** Many times, the lender will want the purchaser to acknowledge the escrow instructions that were sent to the closer to prepare the documents.
- 24.Copy of warranty deed:** The purchasers will acknowledge a copy of the deed that the sellers will be executing to them.
- 25.Excise tax affidavit:** This form requires a signature from only one of the purchasers at the bottom. It contains both purchasers and sellers name and address, sales price and how much excise tax the seller is required to pay for this sale to the State.
- 26.Notice regarding closing services (APR12)** same as sellers
- 27.Closing instructions** - Same as sellers
- 28.Civil Union/Domestic Partnership Addendum** - This is a new one that usually brings questions to the signing table.

The above are the most commonly used documents required when a lender is involved in a transaction. There are many more documents included in the loan packet that say almost the same thing as some of the documents, but presented in a different format. Typically, most purchasers have anywhere from the above 28 documents up to somewhere around 50-60 documents.

**NOTE: If a cash transaction, the number of documents to be signed would be right around 10!**

## NOW THE CLOSERS WORK CONTINUES.....

After the purchaser and seller have both signed documents and the purchaser has either had the funds due to close wired or brought in a cashier's check, the closer will process the documents to the lender and the title company for recording.

In the lender's instructions, it will state what documents must be returned to the lender. Normally the lender will receive the original signed and dated documents of all their documents except the deed of trust. The lender will request 2 copies of the deed of trust and the warranty deed and will stamp them "this is a true and exact copy of the original" and will sign it.

The Title Company will need the recordable documents and the excise tax affidavit. On a normal purchase, the closer will send the original warranty deed, excise tax affidavit and the original deed of trust along with a check payable to the County Treasurer for the excise tax with a letter that states they are to **HOLD** the documents until they get approval to release for recording. Since most title companies are now **e-recording** things are done a little bit differently. The closer will scan the recordable documents to title and then have the originals delivered to them. The title company will then e-record those documents. Once recorded, the auditor will furnish copies of the recorded documents to the closer.



- **Balancing with the lender:** Once the lender has reviewed the documents that have been returned to them, they will then be in a position to "balance" with the closer. The lender calls the closer and tells them they want to balance. The closer will go to their computer screen to that particular transaction to the lender screen and at the bottom it will state how much money the lender will wire to the closer after their charges.

This is the amount the lender will "balance" with the closer and if it matches, they authorize the closer to contact the title company and "release" the recording. The funds are then wired to the closers trust account. If the amount the lender states they are sending and the amount that is on the net

of the closers screen are different, then they review all the entries until they find which one is incorrect and will require correction.

- **Recording and funding:** When the closer gets the approval to record the documents from the lender, the closer will call the title company and authorize them to record the documents that were previously “on hold”. **If it is a e-recording which most are now**, the title company will scan into the system they are using and retains the originals. If they are not able to E-record, as there are cases where you cannot, then the title “runner” will go to the courthouse to record the documents. Once the documents are recorded, the recording department will call the closer, and any other parties listed on the recording instructions, with the recording numbers of the documents. The closer is ready to fund the loan once the money is in their trust account. The closer will print all the checks, make copies of the Final HUD/CD’s and letters. The payoff, if any, shall be overnighted or wired to the lender. The seller is contacted that the transaction is completed and their money is ready for pick up or has been mailed or wired, based on their previous instructions. All the other checks are either delivered or mailed out to the parties.

## **WHAT DOES RECORDING DO FOR YOUR FILE UPON RECEIPT:**

When the closer sends to the recording department the packet with the warranty deed, deed of trust, excise tax affidavit and check for excise tax, the following must happen. When recording comes in, recording pulls the file and reviews the closers instructions. Files are reviewed in the order received, unless bumped by a rush.

- Check to see if all the documents mentioned in the instructions were received.
- Runs the names through the GI and PI
- Verifies the policy exceptions on the instructions
- Reviews all documents for correct parcel number, legal description, (long and abbreviated), loan amount, (looking for a change in the premium), notaries, and margins (the return address must be in the three-inch margin at the top, not below it)
- Reviews the excise tax affidavit for vesting, addresses, legal, WAC code, reason for WAC code, assessment amount, correct amount collected for tax (any changes made to this document must be made 4x's!)
- Will mark the preliminary title up for the final policy department per the recording instructions. It is extremely beneficial for the final policy department to receive clear instructions as to how taxes should be shown on the final policy.
- Then adds the documents to the "board" for the next run (when recording has been released to record.) Or, e-records it.

This whole process takes anywhere from 15-30 minutes, depending upon if there are unusual things to review, such as trust documents, etc. (Anything unusual is taken to a title officer for review, so recording has to wait for the file to return before review can be completed). Times this by the 30-50 recordings the department is handling per day and you can see how stressful this job can become.

**Completion of the file:** After the loan is funded, escrow will:

1. Order final utilities
2. Print final documents for the file
3. Input the 1099 information and print for yearend reporting to IRS and seller.

The File will be kept open until certain exceptions on the preliminary title are cleared, if any. The closer may be waiting for a Satisfaction of Lien, Full Reconveyance, Fulfillment warranty deed, or other items to release certain exceptions of title. Once the preliminary title has all the documents to release the necessary exceptions, the final policy can be issued to the purchaser.

Once final title is issued, the file is ready to be scanned and placed in storage and held there for 7 years according to the law. Now that we are becoming a **PAPER-LESS SOCIETY**, things are making its way to real estate closings. In our office, with our new system (put into place 11/15/18, all our files are now paperless. Everything is be scanned.....no more files. How exciting this is becoming to fit into this new way of doing things

Hard to believe 4 years has gone by and it is working great!



**HOW MANY PEOPLE DO YOU THINK “TOUCH”  
A CLOSING FILE?”**

**AND THE ANSWER IS:**

**APPROXIMATELY 50!**

**THE PURCHASERS WANT THEIR KEYS AND THE SELLERS NEED THEIR MONEY..... MOST LIKELY TO BE A PURCHASER OF A NEW HOME!**

**TIMING IS EVERYTHING, DON'T YOU AGREE?**

## Quiz for Escrow, Escrow or Escrow?

<b>1</b>	The word “escrow” has 3 or more meanings.	<b>True</b>	<b>False</b>
<b>2</b>	There is more than one entity that can handle a real estate closing.	<b>True</b>	<b>False</b>
<b>3</b>	Limited Practice Officers are only in the State of Washington.	<b>True</b>	<b>False</b>
<b>4</b>	Many times, the “closer” will receive numerous copies of the PSA.	<b>True</b>	<b>False</b>
<b>5</b>	Only the real estate closer can hold the earnest money in their trust account.	<b>True</b>	<b>False</b>
<b>6</b>	Closing instructions are sent to both the seller and purchaser prior to closing.	<b>True</b>	<b>False</b>
<b>7</b>	The new lender keeps in constant contact with the closer.	<b>True</b>	<b>False</b>
<b>8</b>	A title report is never opened until the purchaser has been approved for the loan.	<b>True</b>	<b>False</b>
<b>9</b>	Normally, the listing agent will order a copy of the payoff, if any.	<b>True</b>	<b>False</b>
<b>10</b>	The seller will need to sign an authorization in order for a payoff to be ordered.	<b>True</b>	<b>False</b>
<b>11</b>	The closer will receive the closing documents from the lender 7 days ahead of the projected closing date in order to have everything reviewed timely by all.	<b>True</b>	<b>False</b>
<b>12</b>	The lender does not review the settlement statement until all the loan documents are signed and returned to the lender.	<b>True</b>	<b>False</b>
<b>13</b>	At time of closing, the purchaser can write a personal check for the amount due to close.	<b>True</b>	<b>False</b>
<b>14</b>	The closer will set up an appointment for both the seller and purchaser to come in to sign at the same time.	<b>True</b>	<b>False</b>
<b>15</b>	At time of closing, a picture ID that is current will be needed by both the purchaser and seller if a notary is needed on any document.	<b>True</b>	<b>False</b>
<b>16</b>	The closer will have the seller pay any non-lienable final utility bills (i.e. Avista)	<b>True</b>	<b>False</b>
<b>17</b>	The seller will pay any payoffs due outside of escrow from their proceeds check.	<b>True</b>	<b>False</b>
<b>18</b>	If the seller is a foreign citizen, there may be a holdback of funds.	<b>True</b>	<b>False</b>
<b>19</b>	The purchasers signing appointment averages 45 – 60 minutes.	<b>True</b>	<b>False</b>
<b>20</b>	The sellers signing appointment averages 15-20 minutes.	<b>True</b>	<b>False</b>
<b>21</b>	Normally the lender will wire funds when the documents are sent to closer.	<b>True</b>	<b>False</b>
<b>22</b>	The closer will order all lienable final utility bills. (i.e. City Water, garb, sewer)	<b>True</b>	<b>False</b>
<b>23</b>	Most closers will have the closing file “scanned” prior to placing in storage.	<b>True</b>	<b>False</b>
<b>24</b>	The final title policy will be mailed to the purchaser by the title company.	<b>True</b>	<b>False</b>
<b>25</b>	The closer will input any IRS 1099 reporting information prior to putting the file in storage so they are ready to do the necessary filing at year end.	<b>True</b>	<b>False</b>

I attest that I have read the materials and have answered the questions.

X \_\_\_\_\_



**MANDATORY EVALUATION FOR:  
ESCROW, ESCROW OR ESCROW?**

Please fill out the following form and return  
with your completed clock hour class quiz.

Name: \_\_\_\_\_

Company \_\_\_\_\_

Address: \_\_\_\_\_

Phone: (personal) \_\_\_\_\_ (work) \_\_\_\_\_

Email: \_\_\_\_\_

License Renewal Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

1. What are 3 things that you learned from this course?

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

2. Do you feel the clock hour material was easy to follow? \_\_\_\_\_

3. Did the material give you information to help you in your profession? \_\_\_\_\_

4. Will the material help you with future transactions? \_\_\_\_\_

5. Why did you choose to take this course? Topic \_\_\_ Time \_\_\_ Cost \_\_\_ Ease \_\_\_ Other \_\_\_

6. How long did this class take you to complete? \_\_\_\_\_ (a "clock hour" is 50 minute)

Payment method: \_\_\_\_\_ cash \_\_\_\_\_ check \_\_\_\_\_ credit card \_\_\_\_\_

3 digits on back \_\_\_\_\_ exp. Date \_\_\_\_\_ zip code of where bill is sent \_\_\_\_\_