

Navigating the path through

# TITLE & ESCROW

A resource guide for buyers and sellers



**Cw** title  
AND ESCROW

# GREETINGS

*Thank you for entrusting CW Title and Escrow with your transaction.*

We know the home buying and selling journey can be both exciting and overwhelming at times. There are a number of steps between when the offer is made and accepted, through when the keys are transferred. To help you navigate the title and escrow portion of your transaction, we've compiled this booklet of information that explains the process.

We are here for you each step of the way, so please let us know if you have any questions or concerns.

Best wishes,



**Todd Miller**  
President & CEO  
CW Title and Escrow

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CW office locations and contact info (back cover)

# TITLE & ESCROW *Terms you should know*

**AFFIDAVIT** A written statement made under oath before a notary public or other judicial officer.

**APPRAISAL** A report from an independent third party detailing the estimated value of real estate.

**CLOSING** A Purchase and Sale Agreement defines closing as when recording numbers have been provided by the county and funds are available to the seller.

**CLOSING DISCLOSURE** A five-page form that provides final details about the mortgage loan the buyer has selected. It includes the loan terms, projected monthly payments, and how much will be paid in fees and other costs to acquire a mortgage (closing costs). It is given three (business) days before closing.

**CONSUMMATION** The point when the buyer becomes contractually obligated to the creditor on the home loan (not when the buyer becomes contractually obligated to the seller on a real estate transaction).

**DEED** A document through which a conveyance of property is effected. This is the document the seller will sign.

**DEED OF TRUST** This is the document that makes the home collateral for a loan. It discloses the original loan amount, other terms and conditions for the loan set by the lender. When recorded, it provides public notice of the debt.

**DISBURSEMENT DATE** The date funds are paid out to each party involved in the purchase and sale of a home.

**EARNEST MONEY** A deposit of funds by the purchaser as evidence of good faith in the contract (Purchase and Sale Agreement).

**EASEMENT** A right to use all or part of the land owned by another for a specific purpose. An easement may, for example, entitle its holder to install and maintain sewer or utility lines.

**ENCROACHMENT** Any building, improvement or structure located on one property (such as a wall, fence or driveway) that intrudes upon the property of another.

**EXCEPTION** Exceptions on a title report are information that a future homeowner will need to know about their rights and responsibilities as owner of that property. Examples are covenants, agreements, easements and other items that run with the land (i.e., are in perpetuity). Other exceptions are items that must be cleared to close. That includes loans or liens that need to be paid off, estate or divorce info that needs to be cleared, and legal matters that need to be resolved.

**EXCISE TAX** In Washington state, the cities and counties collect excise tax from the seller based on the sale price of the home.

**JUDGMENT** The determination of a court regarding the rights of parties in an action. A judgment on a property owner can create a lien on all of that owner's land within a certain jurisdiction.

**LEGAL DESCRIPTION** The legal way to describe a property based on the location as recorded in the official plat maps of the county in which it's located.

**LIEN** A monetary charge imposed on a property, usually arising from some debt or obligation.

**LOAN ESTIMATE** A form that provides you with important information, including the estimated interest rate, monthly payment and total closing costs for the loan. The lender must provide a Loan Estimate within three business days of receiving an application.

**RECORDING** The noting in a public office of the details of a legal document (such as a deed or mortgage) affecting the title to real estate. When such an instrument is properly recorded, it is considered to be a matter of public record. Legally, that means that all subsequent purchasers are deemed to have constructive knowledge of that information.

**TITLE COMMITMENT** Also called the title report, this is a document issued by a title insurance company that contains the conditions under which a policy of title insurance will be issued.

## **TITLE INSURANCE POLICY**

A contract of title insurance under which the insurer, in keeping with the terms of the policy, agrees to indemnify the insured against loss arising from claims against the insured's interest in the property.

# WHAT IS TITLE INSURANCE?

## *And why do I need it?*

A title insurance policy is a contract insuring the insured's "ownership" or "interest" in a specific piece of real property. A title insurance policy insures the owner or others having an interest in the property against loss due to encumbrance, defective title or adverse claims against the title. This includes "hidden hazards," explained below.

### **HOW LONG DOES TITLE INSURANCE LAST?**

Coverage lasts as long as you or your heirs retain an interest in the real property and, in some cases, even longer.

### **WHO PAYS FOR TITLE INSURANCE?**

Typically, the seller pays for the ALTA (American Land Title Association) Homeowner Policy. This is the policy that protects the buyer. The buyer pays for a policy that protects their lender, which of course isn't needed if they are paying cash and not using a lender. While these items are negotiable, the typical Purchase and Sale Agreement used in our service areas has this typical scenario built into it.

### **WHAT IS A TITLE SEARCH?**

A title search is a detailed examination of the historical records concerning the real property. These records include deeds, court records, property indexes, name indexes and tax records. The purpose of the search is to verify the seller's right to transfer ownership and to discover any claims, defects, rights or burdens affecting the property.

### **WHAT PROBLEMS CAN BE REVEALED?**

A title search can show defects, liens, encumbrances and restrictions, such as unpaid taxes, unsatisfied mortgages, judgments against the seller and restrictions limiting the use of the land.

### **ARE THERE PROBLEMS THAT CAN BE MISSED?**

Yes. There are some "hidden hazards" that even the most diligent title search may never reveal. For instance, the previous owner could have incorrectly stated his marital status, resulting in a possible claim by his legal spouse. Other "hidden hazards" include fraud, forgery, defective deeds, mental incompetence, confusion due to similar names and clerical errors in the records.



## Important items you may find

# ON THE TITLE COMMITMENT

While a broad variety of items may be included in a title report, here are some of the most common, along with descriptions of what they mean.

**VESTING** — On the front page of a title report, you'll see the name of who is vested in title. In the majority of cases, this will be the seller. Typically it's an individual person, a combination of people, a trust, or a business. This usually tells you who can sign the contract on behalf of the sale. Sometimes a title company will need to gather more details to verify who can sign, such as information on an estate, divorce or marriage, or documents from a trust or business.

**LEGAL DESCRIPTION** — This is the legal way to describe the property as approved by the county. All legal documents use the legal description (whereas the post office would use the mailing address). It's used on the deed transferring title to the new owner, on the deed of trust if there's a loan on the property, and in other official documents to describe the location and legal parameters of the property.

**PROPERTY TAXES AND ASSESSMENT** — The assessed value is the value the county places on the property for taxation purposes. This is often different from the market value. The annual tax obligation is based on the approved tax rate for that area (varying by county, city, school district) as applied to the assessed value. For detailed information, you can go to the website of the tax assessor for the county in which the property is located.

**EASEMENTS** — Easements are the rights granted to others to use the property for specific purposes. Typically the homeowner cannot block access to the person who's been granted the easement, so it's important to understand where the easements are if there are plans to expand the property. Typical easements are for utilities and shared sewers, but they may also be for a driveway shared with a neighbor, a view easement or other reasons.

**MAINTENANCE AGREEMENT** — You may see this on an easement or other shared amenity (private road, sewer or driveway, for example). This will outline the financial or other obligations for maintenance.

**DEED OF TRUST** — A deed of trust is the document that makes the home collateral for a loan. It does not show the current balance of the loan; it just reflects the original loan amount. There can be more than one loan on a home. If a home is paid off or was purchased without a loan, typically there will be no deed of trust on the title report.

**PROBATE** — If a seller has passed away, there may be a probate on the title report. This is a court case to take care of the financial affairs of the deceased. The probate info will typically say who can sign on behalf of the estate. An estate may choose not to go through the probate process, in which case the title company will work with the heirs to determine who can sign on behalf of the deceased party's estate.

**JUDGMENTS AND LIENS** — These are monetary items that attach to the subject property. These can include federal tax liens, DSHS liens, labor liens (for work done on the property), divorce judgments and more. These can often be taken care of out of the proceeds of the sale. If there is a dispute about a payoff, it needs to be taken care of prior to closing. NOTE: In some cases, the judgment or lien is for someone else with the same common name. This is usually cleared up with an ID Affidavit, a form that is filled out to help correctly identify the person in question.

**CC&Rs** — This stands for "covenants, conditions and restrictions." They can range from dozens of pages or more for a condominium to a mention of a small item on an old deed. CC&Rs are not necessarily red flags on a title report, but if there is anything in them that interferes with the way a buyer intends to use a property, then that would be important to know up front.

**PLAT OR SHORT PLAT** — A plat is the way a larger piece of property is broken into smaller lots for development. A plat can be very old (such as older neighborhoods in the area) or very new (such as a new town house development). It is basic information the developer recorded with the county in order to get the plat approved. Sometimes those plats contain CC&Rs, easements, parking information and other important details.



# COMMON RED FLAGS

*you may find on title*

**IDENTITY MATTERS** — Judgments and liens may be eliminated with an Identity Affidavit if they do not affect the vested owner or purchaser. If they do affect our party but have been paid and not satisfied, a release may be recorded or filed to eliminate these matters from the record.

**PENDING LEGAL ACTIONS** — A civil action affecting real property will generally need to be dismissed or settled before title to the land can be insured without showing the action as an exception. A pending divorce may not need to be finalized for a sale or loan to close; however, there may be special requirements.

**JOINT USE MATTERS** — If it is not already recorded, the lender may require a joint maintenance agreement for driveways, party walls and access easements. The preliminary commitment will show an exception for a maintenance agreement if one is recorded. Often a signed and notarized statement from all parties involved is required to satisfy title.

**EXTENDED COVERAGE** — If an extended coverage owner's policy is requested, an ALTA/ACSM survey of the property is required on most sales.

7 key items to look for on the

# TITLE COMMITMENT *for* BUYERS



1

Is your name (as the buyer) and the way you want to take title reflected correctly on the report?

2

Is the price correct?

3

Do you have questions about the seller? Who signed the contract? Does the name match who's on title as the seller? If not, you have every right to check with title or escrow and get clarification on that.

4

Are there covenants, agreements or other information on the title commitment that can impact the way the buyer intends to use the property? For instance, does an easement run right over the spot where you hope to pour a lovely patio? Is there a height restriction that will prevent you from adding another story to capture that view? The full documents are hyperlinked in blue within the commitment.

5

Are there liens, judgments or other issues that could impact your ability to close on time? Ask your escrow officer what the game plan is and if it will delay closing.

6

If you are reviewing the report prior to making an offer, be sure and check the date of the report. If it's more than a few weeks old, call the title company and see if there are any updates or supplements. Also, be sure that you have all of the supporting documents. (For example, if you see a mention of an easement, be sure you have the recorded document that has the details of that easement.) CW's title commitment hyperlinks these documents in blue for your convenient access.

7

If you have questions on other items (surveys, easements, agreements, housing code violations, landslide covenants, geo-hazard warnings, bankruptcies, divorces, probates, on-site inspections, septic systems, etc.) when reviewing the report, just contact your CW Title Unit. That's what we are here for.



# 10 key items to look for on the TITLE COMMITMENT *for* SELLERS

- 1 Is your name (as the seller) the same as your actual name? If not, it might be because of a marriage, divorce, death, trust, LLC, POA, etc. Let the title team know the situation right away, and we'll work with you on next steps.
- 2 Is the legal description correct? Check the last deed (hyperlinked in the title report), and if there are any differences, contact us to find out why.
- 3 Are there any items that need to be disclosed on Form 17, such as CC&Rs, maintenance agreements or encroachments?
- 4 Is the correct number of loans reflected on the report? Review carefully to see if something is missing or if something is on the title commitment that shouldn't be.
- 5 Are there any restrictions that could impact the sale price (height restriction, low-income housing restriction, etc.)?
- 6 Are the tax payments up to date?
- 7 Are there any liens, judgments or lawsuits that could impact the timing of closing or even your ability to list the property?  
NOTE: Some of those could be a mistaken identity, in which case an ID affidavit will be provided for you to fill out.
- 8 Are the address and property type correct?
- 9 Has there been recent work (major remodel, new construction)? If so, we need to work with you on getting proof that contractors and suppliers have been paid.
- 10 If you have questions on any items (surveys, easements, agreements, housing code violations, landslide covenants, geo-hazard warnings, bankruptcies, divorces, probates, on-site inspections, septic systems, etc.), just contact us to ask. That's what we are here for.



# Watch for these issues on the road to a CLEAR TITLE

## LACK OF PROBATE

If a person on title has passed away without a filed probate, oftentimes title companies are willing to accept the signatures on the deed of all heirs upon receipt and review of the following:

- Lack of Probate Affidavit (filled out by a surviving spouse or heir)
- A copy of the death certificate
- A copy of the will, if there is one
- Community Property Agreement, if available

Note: This must be sent to a title officer for review prior to closing.

## ID AFFIDAVITS

When we search title on a sale, we search public records on both the sellers and buyers. We look for judgments, liens or other complex issues that may affect the property.

We often need to have an ID Affidavit when a buyer or seller has a common name (i.e., John Smith). For example, if we run the name John Smith in King County, we would come up with around 5,000 complex issues that affect the property of parties with the name John Smith. The information provided in the affidavit allows us to determine which items do and do not affect the subject party and/or property.

It's important to return the completed affidavit as soon as possible so title will have more time to work on any issues that may arise. It is a confidential affidavit, so you can rest assured that the information is private and secure.

## POWER OF ATTORNEY

A power of attorney is necessary when a seller is unable to sign closing documents. Here is a list of the most common powers of attorney available to help you decide which type is best for your situation:

- **Special power of attorney for a sale:**  
This type of power of attorney is used for the sale of a specific piece of property. It must include the legal description of that property, have all signatures notarized and be recorded. This type of power of attorney typically has a six-month (or less) expiration date.
- **Special power of attorney for a purchase/encumber:**  
This is used for the purchase of a specific piece of property. With lender approval, it can also be used to financially encumber the property with a security instrument. It must contain the legal description of the property, have all signatures notarized and be recorded. It is valid only for that the particular designated property and cannot be used to sign a Purchase and Sale Agreement for a different property. This type of power of attorney typically has a six-month (or less) expiration date.
- **General durable power of attorney:**  
This is typically a more broad-based document created by an individual giving power of attorney to a representative for a broad array of activities (medical, financial, etc). It needs to specifically include the right to convey (sell) or purchase/encumber property in order to be valid for title insurance purposes. A general durable power of attorney needs to be recorded.

## AUTOMATIC HOMESTEAD

If a home is being sold and the home belonged to one spouse before marriage, both spouses need to sign the deed at closing even if the new spouse was not added to the title. Washington State Homestead Statute requires the signature of both spouses, to protect the non-owning spouse from being left homeless without their knowledge or consent.

The following exception appears in any title commitment in which the property is vested:

### **Jane Doe, as her separate estate**

The land described in this commitment appears to be residential in nature and may be subject to the provision of R.C.W.6.13.060 (Washington Homestead Statute) if the land is occupied as a primary residence. If the land is occupied as a primary residence, all instruments conveying or encumbering the land must be executed by each spouse or domestic partner, individually, or by an attorney-in-fact. In the event the company receives instruments that are not joined by the non-owning spouse or domestic partner with possible homestead rights, the company may be unable to record or to insure the transaction.

### **Example**

You purchase a home as a single person, as your separate estate, and then you get married. If you both live at the property and decide to sell, your spouse will be required, pursuant to the automatic homestead law, to sign the deed at closing. The legislation protects the spouse who does not have a vested interest in the property, since they have to vacate the premises as well if there is a foreclosure or sale. If the spouse signs they are acknowledging this fact.



# HOW ONE CAN HOLD TITLE

	COMMUNITY PROPERTY / DOMESTIC PARTNERSHIP	TENANCY IN COMMON	TRUST
WHO CAN TAKE TITLE?	Only married spouses or domestic partners.	Any number of persons. May involve husband and wife or domestic partner.	The trustee holds title on behalf of the beneficiaries, which can be individuals, groups of persons, or other entities.
HOW IS OWNERSHIP DIVIDED?	Each spouse/partner is presumed to own a community interest in the real property after marriage or registration of domestic partnership.	Ownership can be divided into any number of interests, which may be equal or unequal.	The trustee holds legal title; the beneficiary(ies) hold equitable title.
WHO HOLDS THE TITLE?	Title is usually vested as: John and Jane Doe, husband and wife; or John Doe and Jane Doe, domestic partners; or John Doe and Jim Smith, married spouses.	Title may be vested as: Amy, Barb and Curt, tenants in common, each as to an undivided one-third interest.	The trustee holds legal title. Title is usually vested as: Jane Doe, Trustee of the John Doe Family Trust.
WHO HAS POSSESSION?	Each spouse/partner has the right to manage and control the property.	Tenants in common have an equal right of possession.	Right of possession as specified in the trust agreement.
HOW DO OWNERS CONVEY THEIR INTEREST?	Both spouses/partners must convey by a single written deed. In limited circumstances, one spouse/partner may convey the real property associated with a family business.	Each tenant in common may convey his or her interest separately.	Pursuant to the trust agreement, the trustee conveys the trust property on behalf of the beneficiary(ies).
WHAT IS THE PURCHASER'S STATUS?	Purchaser may acquire an interest, if the interest is conveyed by a deed signed and acknowledged by both spouses/partners.	Purchaser of a tenancy in common interest will become a tenant in common with the other co-owners of the property.	Purchaser may acquire legal and equitable title to the real property if the trustee executes a deed consistent with the trust agreement.
WHAT HAPPENS IN CASE OF DEATH?	If a spouse/partner dies intestate (without a will), the decedent's community interest vests in the surviving spouse/partner.	Each tenancy in common interest may be devised by will.	If the trustee dies, a successor trustee may be named in the trust agreement, chosen by the trustor and beneficiaries, or appointed by the court.
WHAT IS THE SUCCESSOR'S STATUS?	A spouse/partner may devise by will one-half of the community property. If so, a tenancy in common between devisee and survivor results.	Heirs or devisees become tenants in common with the other co-owners.	The successor trustee's status is defined by the trust agreement.

# vesting at a glance

JOINT TENANCY	AS A SEPARATE ESTATE
Any number of persons. May involve husband and wife or domestic partner.	Any individual may take title as his or her separate estate.
Joint tenants must own equal undivided interests, acquire title by the same deed, and have equal rights to possess.	An individual owns a 100% interest in property held as his or her separate estate.
Title may be vested as: Andy, Bob and Carol, all as joint tenants with right of survivorship.	If married or in a domestic partnership, title will be vested as: Amy, a married person as her separate estate. If in a domestic partnership, title may be vested as: Amy, a domestic partner as her separate estate. If single, title may be vested as: Bob, as his separate estate; or, Bob, a single person.
Joint tenants have an equal right of possession.	If single, the individual in title has the right to possession. If married or a domestic partner, the non-owning spouse or domestic partner who resides on the land will have a homestead interest.
Conveyance by one joint tenant alone severs his/her joint tenancy.	In many cases, the owner of the separate estate conveys his/her interest separately. If the owner of the separate estate is married or in a domestic partnership, in some circumstances a title company will require the owner's spouse or domestic partner to join in the deed.
Purchaser of a joint tenant's interest will become a tenant in common with the other co-owners of the property.	If the seller is single, the purchaser may acquire an interest, if the interest is conveyed by a deed signed and acknowledged by the seller. If the seller has a spouse or domestic partner and the seller's spouse/domestic partner does not join in the deed, the purchaser may take title presumptively subject to a community interest of the seller's spouse/partner.
On one joint tenant's death, his/her interest vests immediately in the surviving joint tenant(s).	Separate interests may be devised by will. If the decedent was single and died intestate, the decedent's separate interest passes first to children, if any, then to parents, siblings, grandparents or cousins. If the decedent was married or in a domestic partnership and died intestate, the spouse or domestic partner takes one-half, three-quarters or all of the separate estate, depending upon whether the decedent was survived by children, parents or siblings.
The last survivor owns the property as his or her property alone.	Heirs or devisees become tenants in common with other co-owners, if any.

*Did you know title companies*

# INSPECT PROPERTIES?

For less than 50 percent of the time when we are asked to issue title insurance we will inspect the property. When the following title special exception is on the title commitment, an inspector will take a look at the property:

*“Matters relating to the questions of survey, rights of parties in possession, and unrecorded lien rights for labor and material, if any, the disposition of which will be furnished by supplemental report.”*

## **SOME OF THE THINGS THE INSPECTOR LOOKS FOR:**

- Recent improvements on the property
- Encroachments
- Rights of parties in possession
- Other matters that would disclose a title defect that aren't disclosed in public records

## **THE INSPECTION IS USUALLY “TRIGGERED” IF:**

- Tax values jump significantly or the home has a high assessed value
- The property has not been insured in many years
- There is an encroachment/potential encroachment
- There is a recorded survey disclosing potential matters listed above
- It involves new construction or a new subdivision

## **WHAT TO EXPECT IF YOUR PROPERTY WILL BE INSPECTED:**

- Title will contact involved parties prior to sending out an inspector to let them know this is needed.
- The inspector does NOT need access to the home; they will only walk around the outside of the property.
- The inspector may knock on the door, just to introduce themselves and let any occupants know who they are.
- The results of the inspection are sent to the title team. They will update the title commitment and send out a supplemental report with the results.

The inspection cost is covered by CW and is not passed on to any other party. It is not a survey, but it is a pretty accurate snapshot of the above issues.



# WHAT IS ESCROW? *And how does it work?*



## **WHAT IS ESCROW?**

Escrow is an impartial third-party process in which documents and funds are deposited by buyers, sellers and lenders to facilitate the closing for a real estate transaction. Escrow is required to follow mutual written instructions from all parties. We cannot follow transaction instructions that have been provided by only one party.

Escrow will coordinate with the buyer, the seller and lenders to obtain required signatures on all documents. Escrow works closely with the title officer to clear liens and encumbrances against the property, and record the documents with the county.

## **WHY DO I NEED ESCROW?**

Escrow assures all parties to a transaction that no funds are delivered and no documents are recorded until all conditions in the transaction have been met.

## **HOW DO I OPEN ESCROW?**

Opening escrow is the first step in the closing process. Generally, to open escrow, the parties to a transaction deliver to an escrow company the earnest money check and the Purchase and Sale Agreement, which outlines the transaction and provides the closing date, contingencies and financing details. Anyone involved in a transaction can “open escrow,” but generally your real estate agent will do so. In the case of a for-sale-by-owner (FSBO), the buyer, the seller or both may open escrow.

## **WHO SETS THE CLOSING DATE?**

The buyer or seller may select the closing date, but both must agree to it. The Purchase and Sale Agreement may state the closing date as “Closing to occur on or before August 20th, 2022.” In most cases, closing occurs 30, 60 or 90 days from the date a Purchase and Sale Agreement is signed.

## **WHAT DO CLOSING COSTS INCLUDE?**

The closing costs will include title search fees, taxes, notary fees, loan fees, escrow fees, recording fees, reconveyance fees, the real estate sales commission and other charges.

## **WHO SELECTS THE ESCROW COMPANY?**

The parties involved in the transaction decide which escrow company will close the transaction. Although it is very common for your real estate agent to recommend an escrow closer, the parties have the right to choose an escrow closer they feel is competent and experienced. The law prohibits escrow companies from paying referral fees to real estate agents, to protect the parties’ right to select their own escrow closer.



# ESCROW CLOSING TIMELINE

## 2-3 DAYS PRIOR TO CLOSING

- CW Escrow works closely with lender to get numbers for final closing statements.
- Two or so days before closing, Escrow will “balance the transaction” with the lender. Escrow will then contact the buyer with the amount they need to close and coordinate receipt of funds.
- They will also set up (separate) signing appointments at this time for both buyers and sellers. The appointment may be for the next day (one day before closing).\*

*\*Note: Federal guidelines specify the day the buyer can sign based on the date the lender’s Closing Disclosure was delivered to the buyer.*

## THE NEXT BUSINESS DAY

- Buyer signs documents.

## DAY OF CLOSING

- CW Escrow confirms lender and buyer funds have been deposited and sends the documents to the county to record.

## AFTERNOON OF CLOSING DAY

- In the afternoon of closing day, CW Escrow receives recording numbers from the county, and the transaction is officially closed. Keep in mind this can happen late in the afternoon. During this exciting time, we know waiting can be hard!
- Now the transaction is officially closed.
- CW Escrow will contact all parties with the good news, and the broker will arrange for the buyer to receive keys. This happens between afternoon and evening on the day of closing.

## THE NEXT BUSINESS DAY AFTER CLOSING DAY

- Distribution of funds: payoff to your lender, certain utilities. HOA, taxes, listing and selling firms, etc.
- Proceeds are released to the seller.

## DAYS/WEEKS FOLLOWING

- As soon as the CW Escrow team has the final invoices from the utilities, refunds are processed and issued to the seller.
- Refund of excess utility funds to the seller may happen at any time within a few weeks of closing.

## *Tips to navigate the road to closing for*

# BUYERS

### **SETTING UP ESCROW**

To expedite the processing your transaction, CW Escrow will send you a link to our secure closing platform where you can send us important information needed for the transaction, along with documents critical to closing. Filling out the information quickly helps escrow get the ball rolling on many parts of your transaction.

Carefully read all documents before e-signing. It is extremely important to complete as soon as possible to keep the transaction moving forward and avoid miscommunication as we near closing. You can download and print the documents from our portal for your records.

### **TITLE COMMITMENT REVIEW**

A copy of the Preliminary Commitment for Title Insurance will be sent for your review. (Please see pages 8-9 of this booklet for what you should look for when reviewing your title commitment.) The premiums shown are costs which will be paid by the appropriate party through escrow.

### **NEXT STEPS**

Escrow works with the lender to finalize numbers and balance the Closing Disclosure. Until this happens, we cannot set up a signing appointment.

It's important that you know and expect getting final numbers can happen within two days before closing. This means we might contact you one to two days prior to closing to set a signing appointment for the following day or later that same day. We realize this can be a stressful time, but we will work with you to find a place and time that works best for you.

### **FUNDS TO CLOSE**

Washington State Collected Funds law requires money to be timely deposited into escrow 24 hours in advance of your closing date for closing, recording and disbursement to happen.

Wire fraud is an epidemic in real estate transactions. Millions of dollars in hard-earned funds are lost each year to scammers posing as parties to the real estate transaction. For this reason, we urge you to proceed with the utmost care when providing funds to close.

### **GOOD FUNDS FOR CLOSING MONIES ARE AS FOLLOWS:**

- Cashier's check: Drawn only on a Washington state financial institution, deposited into escrow 24 hours prior to your closing date and recording. Cashier's checks must be made payable to CW Title.
- When circumstances require, CW Title and Escrow may accept wire transfers. Call your CW Escrow closer at a known and verified phone number to be provided with our most current wire transfer procedures.

## *Tips to navigate the road to closing for*

# SELLERS

### **IF PROCEEDS ARE TO BE WIRED TO THE SELLER**

If you are expecting the sale proceeds to be wired to your financial institution, it's important to keep in mind the Federal Reserve wire cutoff is 2 p.m. Pacific Time. As we don't usually get recording numbers until after that time, you will likely receive your funds the next business day after closing. For example, if closing is on a Wednesday, you will likely receive your funds on Thursday. If closing is on the Friday before a three-day weekend, you will likely receive your funds the following Tuesday.

### **COLLECTED FUNDS AT CLOSING**

In most cases, "Closing" in the Purchase and Sale Agreement refers to the date on which all documents are recorded and the sale proceeds are available to the seller.

Buyer's funds will be deposited into escrow per the Collected Funds Law of Washington state. Their funds are typically deposited into escrow 24 hours prior to recording.

In most cases, if the buyer is working with a lender for the balance of the sale funds, the lender will wire the loan funds into escrow on the day of recording. When CW Escrow is in receipt of all funds, the deed will be released for recording with the county.

Upon receipt of recording numbers, escrow is authorized to disburse funds to pay the seller's costs, such as commissions, mortgage payoffs and taxes. Escrow is also authorized to disburse the proceeds of the sale to the seller.

Proceeds can be disbursed as follows:

- An escrow check can be issued by 5 p.m. the day of recording.
- Proceeds can be wired to the seller's bank on the next business day following recording.

## *Signing Day & Closing Day*

# WHAT TO EXPECT

## *for Buyers and Sellers*

### **SIGNING DAY**

When closing documents are ready for you to sign, we will contact you to schedule an appointment.

If you sign with one of our mobile notaries, please know they are experienced in escrow, and go through a rigorous vetting process before we bring them on board. CW Escrow contracts with the same mobile notaries so they are familiar with our processes.

Bring the following to your signing appointment:

- Photo identification — Since some of the closing documents may require notary acknowledgment, it will be necessary for you to provide picture identification (such as a valid driver's license or passport).
- Any additional supporting documents CW Escrow has requested.

### **CLOSING DAY**

Escrow will confirm monies are received and will then release the documents to be recorded with the county. Regardless of what time escrow releases documents, it could be late into the afternoon before recording numbers are made available to us from the county. Once escrow has all the numbers, they will call all parties and let them know. Then your broker can deliver the keys!

# Who pays what AT CLOSING

## The typical fees paid by a buyer and seller in a real estate transaction:

Seller is responsible for:	Buyer is responsible for:
Owner's title insurance policy*	Lender's title insurance policy*
1/2 escrow fee*	1/2 escrow fee*
Excise tax*	Recording fees
Real estate commissions*	Surveys
Utility payoffs	1st year fire insurance
Loan balances	1st year flood insurance (if applicable)
Doc preparation fees—power of attorney, etc.	Doc preparation fees—quit claim deed, etc.
Misc. fees (i.e., wire, courier, signing fees)	Misc. fees (i.e., wire, courier, signing fees)
Prorated property taxes	Prorated property taxes
Home warranty (depends on contract)	Home warranty (depends on contract)
Homeowners Association Fees including: <ul style="list-style-type: none"> <li>• Prorated association dues</li> <li>• Resale certificate / miscellaneous fees</li> </ul>	Homeowner's Association Fees including: <ul style="list-style-type: none"> <li>• Prorated association dues</li> <li>• Resale certificate/miscellaneous fees</li> </ul>
FHA/VA financing ... other seller fees may apply	Property inspection
	Pest inspection
	Lender fees including: <ul style="list-style-type: none"> <li>• appraisal</li> <li>• credit report</li> <li>• loan origination fee*</li> <li>• loan interest*</li> <li>• private mortgage insurance*</li> </ul>

\*Fees determined by sales price and/or loan amount.  
Payment of fees above can be negotiated within contract.

# EXPERIENCE THE CW TITLE AND ESCROW DIFFERENCE

Founded in 2001, we are the largest title and escrow company headquartered in Washington. We provide title services for King, Pierce, Snohomish, Thurston and Spokane counties and we work with our affiliates to service title needs in other counties. We're able to offer escrow services for all counties in the State of Washington.

We pride ourselves on providing the best service available while ensuring the experience is seamless and timely.

Our decisions are made locally and our in-house underwriting, legal counsel and title examiners are experts in Washington properties. Because there is little delay, CW Title is able to quickly respond to underwriting concerns.

Our team is fun and energetic; we believe in doing what's right and we are serious about providing the highest level of customer service to you.



We are thankful for  
each opportunity  
to work with you!

## 9 convenient locations ready to serve you

### **BELLEVUE | HEADQUARTERS**

11201 SE 8th St, Suite 200  
Bellevue, WA 98004  
p. 425.451.7301 | f. 888.484.2358

### **KENT**

841 Central Ave N, Ste 109  
Kent, WA 98032  
p. 253.246.4900 | f. 253.200.2646

### **KIRKLAND**

11411 NE 124th St, Ste 260  
Kirkland, WA 98034  
p. 425.250.7201 | f. 425.777.4475

### **LYNNWOOD**

19401 40th Ave W, Ste 140  
Lynnwood, WA 98036  
p. 425.563.1600 | f. 425.672.1020

### **PUYALLUP**

1002 39th Ave SW, Ste 101  
Puyallup, WA 98373  
p. 253.200.2700 | f. 877.346.3402

### **SEATTLE | BALLARD**

8746 Mary Ave NW  
Seattle, WA 98117  
p. 206.781.1002 | f. 206.781.1025

### **SEATTLE | NORTHGATE**

301 NE 100th St, Ste 100  
Seattle, WA 98125  
p. 206.639.6500 | f. 206.639.6598

### **SPOKANE**

2025 E 29th Ave  
Spokane, WA 99203  
p. 509.558.2800 | f. 509.319.3334

### **TACOMA**

3315 S 23rd St, Suite 104  
Tacoma, WA 98405  
p. 253.284.5959 | f. 253.284.5946

