

The Loan Process and your Escrow...

Dealing with a Lender can oftentimes be a very stressful event. Our office has a proven track record for facilitating the Loan Process and achieving the ever-elusive "on-time" closing date with most Lenders in the industry. As an Escrow Holder, our role is simply to provide the requested documentation to the Lender and/or Mortgage Broker in a timely manner and await the final Loan Documentation for the Buyer's signature. Let us shed some light on the Loan Process and your Escrow from start to finish...



Open Escrow: Upon the opening of your escrow, the Selling Agent will have provided the Lender or Mortgage Broker information. We will then send a copy of the Escrow Instructions to them for their review.

Escrow to Provide Documents: Upon receipt of the Buyer's Vesting and Preliminary Title Report, we will then send duplicate copies of same to the Lender and/or Mortgage Broker to supplement their file. At this stage, the Lender/Mortgage Broker should be providing us with a Good Faith Estimate (GFE) so that we may prepare a Buyer's Estimated Closing Statement incorporating Title and Escrow Fees with the new Lender's charges.

Lender Review: After the Lender/Mortgage Broker has received all of the requested documents...it is time for them to submit the loan package for review. During this stage, the Lender/Mortgage Broker will review all items submitted by Escrow, Appraisers, Agents, and Applicant (Buyer) to verify that all "prior-to-doc" or PTD conditions have been met.

Loan Approval/Drawing Documents: After the Lender has approved your Buyer's Loan and their Underwriting Department has given the green-light...it's time to draw the Loan Documents. This process can take 24-48 hours depending on the Lender. Once the documents have been drawn...they can be sent to us via e-mail for the quickest delivery or we can pick-up the Documents from the Lender direct if they are in the local Orange County area. Otherwise, the documents must be sent to our office via Overnight Mail (FedEx or UPS).

Escrow Receives Loan Documents: Once we have received the Loan Documents, we must prepare them for signing. This includes making a copy for the Buyer, organizing the Documents for signature, preparing the Buyer's Estimated Closing Statement using the Lender's Instructions and final Good Faith Estimate; ordering the Fire Insurance, and finally...scheduling an appointment with the Buyer. This process can take up to 1-hour if there are 2-Mortgages. Our office strives to package Loan Documents immediately upon receipt and schedule the signing appointment at the Buyer's first opportunity. We will also provide the Buyer with the balance due to close the transaction at this time.

Buyer Signs Loan Documents: We typically have the Buyer come in to our office for the signing so that we may answer any questions that may arise during the appointment. However, if the Buyer requests an after-hours signing or needs someone to travel to their home or place of business...we do have a traveling notary to assist us.

Escrow Packages Documents: Once the documents are signed, they are returned to us for packaging. We will abstract the Note and Deed of Trust from the Loan Documents and make certified copies per the Lender's requirements. We will also add all of the "prior-to-funding" or PTF conditions (items including certified copies of the Buyer/Seller signed Escrow Instructions, Seller signed/notarized Grant Deed, Hazard Insurance, Termite Completion [if required], and any other items as required on the Lender's Instructions). The completed Loan Package is then returned to the Lender via a 2-hour messenger if within Orange County...or via FedEx if outside of Orange County.

Lender Review of Loan Package: Once the Lender has received the completed Loan Package, the Lender will assign the file to a Funder to review the Package and ultimately fund the loan. Depending on the Lender's current turn-around time and volume, the review stage can take anywhere from 24-96 hours! Unfortunately, the only thing we can do to speed up the process is call for the funding status. If there is a Mortgage Broker involved, we will also contact them to assist us in expediting the funding review process by having them call their Lender's Sales Representative.

Funding Conditions (if any): After the Lender has completed the funding review, they will provide us with a list of any additional "prior-to-funding" or PTF conditions that are still outstanding. This may include Mortgage Broker items if one is involved in the transaction. We will clear any Escrow conditions assuming we have received the items needed to remove them from the PTF Condition List. If we require additional assistance, we will contact the Buyer or Seller as needed to facilitate the funding process.

Ready to Fund: Once all PTF conditions have been met...the funder will request confirmation that Escrow is ready to fund. We will confirm with the Agent's that the Buyer and Seller are ready to close. Finally, we will complete a final audit on the file to assure that no further documentation or funds are required. If everything is done and ready to go...we will contact the Funder and authorize funding! Once the loan has funded, the Lender will send us a breakdown of the wire amount for the Buyer's new loan. These wired funds are sent to the Title Company.

Recording: Similar to the "Closing" paragraph on page 1, the Title Company will record the Grant Deed and Deed of Trust upon receipt of the Lender's wired funds. Another Escrow successfully closed on time!!!