

## PREPARE YOURSELF FOR THE ESCROW PROCESS

The following is a brief list of items that you will be expected to provide and/or deliver to your escrow officer:

- Correct spelling of your name and contact information.
- Contact information for lender if new financing is being obtained.
- Mortgage loan account information if you are selling or refinancing a piece of property.
- Fire insurance policy information.
- Title vesting choice.
- Copies of Trust documents if taking title in Trust or selling from a Trust
- Homeowner Association (HOA) and management contact information.

For a detailed discussion of the topic of this brochure, or for more information, visit:

[https://www.dre.ca.gov/files/pdf/Escrow\\_Info\\_Consumers.pdf](https://www.dre.ca.gov/files/pdf/Escrow_Info_Consumers.pdf)



Questions? Please contact us at **(877) 373-4521** or visit our website at [www.dre.ca.gov](http://www.dre.ca.gov).

### Contact DRE

To contact the California Department of Real Estate, call (877) 373-4542 toll-free for assistance in English or Spanish.

#### Department of Real Estate District Offices

##### Sacramento

(Principal Office)  
1651 Exposition Boulevard  
Sacramento, CA 95815

320 W. 4th Street, Suite 350  
Los Angeles, CA 90013-1105

##### Fresno

2550 Mariposa Mall,  
Suite 3070  
Fresno, CA 93721-2273

##### Oakland

1515 Clay Street, Suite 702  
Oakland, CA 94612-1462

##### San Diego

1350 Front Street, Suite 1063  
San Diego, CA 92101-3608



## Surviving the Real Estate Escrow Process in California



#### DEPARTMENT OF REAL ESTATE

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## INTRODUCTION

The sale or purchase of a single family home is often the most significant financial transaction in a person's lifetime. If you are buying or selling a home, or refinancing, you will want to make certain the process is relatively stress-free and goes as smoothly and reliably as possible. In order to do that, you will want to select and use a licensed, qualified, and competitively priced escrow agent. While the escrow process in California is sometimes difficult to understand, it is the most commonly used procedure by which real estate is bought, sold, and refinanced in the State.

## WHAT IS ESCROW?

Escrow is the process whereby parties to the transfer or financing of real estate deposit documents, funds, or other things of value with a neutral and disinterested third party (the escrow agent). These are held in trust until a specific event or condition takes place according to specific, mutually written instructions from the parties. Escrow is essentially a clearing house for the receipt, exchange, and distribution of the items needed to transfer or finance real estate.

## WHY IS ESCROW IMPORTANT?

Escrow is a service that protects the public and minimizes the potential risk involved in any real estate transaction.

## WHO CAN PROVIDE ESCROW SERVICES IN CALIFORNIA?

The Escrow Law states that an escrow must be a corporation, in the business of receiving escrows for deposit or delivery, and be licensed by the California Department of Financial Protection and Innovation (DFPI). There are exemptions provided in the Escrow Law which allow other entities and persons not licensed by the DFPI to perform escrow services. They include the following:

1. Any bank, trust company, building and loan or savings, or insurance company under any law of this State or United States.
2. Any California licensed attorney who has a bona fide client relationship with a principal in a real estate or personal property transaction and who is not actively engaged in the business of real estate.

3. Any title company licensed by the California Insurance Commissioner.
4. Any real estate broker licensed by the California Department of Real Estate while performing acts in the course or incidental to a real estate transaction in which the broker is an agent or a party to the transaction.

## HELPFUL TIPS

- Prepare yourself for the escrow process.
- Carefully review, read and understand all documents before signing!
- Ask for an estimated closing statement up-front.
- Review the preliminary title report.
- Communicate regularly with your mortgage broker or lender about your loan.
- Remember that the documents are time sensitive!
- Credits that are owed must be communicated to the lender.

Visit the California Department of Real Estate website for a copy of the complete discussion:

[https://www.dre.ca.gov/files/pdf/Escrow\\_Info\\_Consumers.pdf](https://www.dre.ca.gov/files/pdf/Escrow_Info_Consumers.pdf)