



TITLE GUARANTY HAWAII

What is Escrow?

The deposit of deed, bond, monies, contract or other written agreement with a third party to be delivered or used only upon performance or fulfillment of set conditions. More simply, escrow may be defined as a stakeholder.

Why is Escrow needed?

- People buying and selling real estate open an escrow for their protection and convenience.
- Escrow is convenient for the buyer and seller because both can move forward separately, yet simultaneously, in providing inspections, reports, loan commitments and funds, deeds, and other items, using the escrow holder as the central depositing point.

THE ESCROW PROCESS

1**Receives Purchase Contract**

- Opens escrow and deposits buyer's initial deposit check
- Orders title report (Preliminary Title Report)
- Notifies parties with opening letters

2**Researches public records and prepares title report**

- Due diligence and resolution, if needed
- Sends to pertinent parties

3**Demands sent**

- Seller's payoff to lender(s)
- Managing agent regarding maintenance
- Lessor's lease rents
- Sewer fees
- Association fees
- Other creditors
- Real property tax status verified (if status is unknown or delinquent)

4**Receives signed "opening letters" from sellers/buyers and is advised of buyer's Title and Tenancy****5****FIRPTA/HARPTA exemption (if applicable)**

- Receives seller's documentation regarding FIRPTA/HARPTA

6**Orders conveyance document and any other required instruments from attorney**

- Provides title report
- Provides copy of Purchase Contract

7**Receives draft documents and other instruments from attorney**

- Sends to pertinent parties

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THE ESCROW PROCESS, CONTINUED

- 8** **Receives payoff figures**
- 9** **Receives Purchase Contract, required reports, and invoices**
 - Termite, pet treatment, cleaning, repairs
- 10** **Notifies parties of buyer's loan approval**
- 11** **Receives survey and bill**
 - Insurability review
 - Resolution of boundary discrepancies, if any
- 12** **Collaborates with lender in preparation and delivery of Closing Disclosure, if applicable**
 - Closing Disclosure prepared by Lender/Escrow and sent to buyer
 - 3 business-day delivery period
 - 3 business-day waiting period
 - Closing Disclosure provided to seller by escrow
- 13** **Signing**
 - Coordinates signing for buyer with lender, if applicable
 - Schedules signing for seller
 - Sends out signing packets to parties not in Hawai'i
- 14** **Recording packet to Title**
 - Insurability and recordability review
- 15** **Receives funds from buyer and lender**
 - Hawaii bank cashier's check
 - Or, wired funds
- 16** **Records documents**
- 17** **Notifies all parties of recording documents**
- 18** **Disburses funds and sends out final letters**
 - Commissions
 - Proceeds
 - Payoffs
 - Invoices
 - Final Statement or amended Closing Disclosure, if applicable
- 19** **Title insurance policies issued**
 - Owners, lenders