



HOW YOUR TRANSACTION PROCEEDS AFTER FUNDING

Your transaction has finally closed. What's next?

In addition to insuring the title for your home, **Monarch Title Company** is responsible for other functions important to the closing of your transaction. Each real estate transaction, however, is very complex and involves many different steps and processes.

In the traditional real estate transaction, whether it is a sale or refinanced property, the escrow company becomes the repository for all documents, agreements and funds. The escrow company also directs the transaction, pursuant to instructions from the parties to the transaction, buyer, seller, lender, etc.

The title company takes their instructions from the escrow company only. The escrow company opens the initial title order, receives the Preliminary Title Report and advises the title company as to what items on the report are acceptable to the parties and what items are to be removed. The title company will then advise the escrow company as to what items it needs or what steps might be taken to remove the objectionable items.

When all objectionable matters have been cleared from the title report, and all other contingencies in the transaction have been met, the escrow company may contact the lender and request funding. Sometimes the lender takes on this task and notifies the escrow company of funding. In any case, the funds are then transmitted to the title company, normally via wire transfer and are received by the title company's bank. At the time the funds are transferred, the escrow may authorize recordation with the title company.

Once the escrow company has called to "set-up" the recording, the title company confirms receipt of all documents, funds and the Statement of Information and transmits the documents to the County Recorder for recordation. At the same time, the title unit

forwards all demands, title fees, and taxes due to the title company's Sub-Escrow Department. Upon confirmation of recording, the Sub-Escrow Department pays off the demands and taxes and collects the title fees from the proceeds, forwarding the remainder to the escrow company.

Hopefully this information will help you to understand the complexity of real estate transactions prior to and post closing and explain why you may sometimes encounter items or issues requiring your attention after your transaction funds.

A Few Important Things to Remember:

1. Review your funding requirements as early as possible. This will allow both the title and escrow companies to aid in clearing some of those "last minute" issues.
2. The Statement of Information **MUST** be sent to your title company *BEFORE* funding of the loan. The sooner your title officer gets this information, the less likely you are to have a funding day "disaster."
3. If your transaction involves a "credit line" Deed of Trust, review the lender's requirements for the payoff. Most often, his type of payoff will involve a letter that must be obtained by you instructing the lender to close the account. Lenders will not "freeze" these accounts without receiving this letter and title companies cannot pay off accounts that are not "frozen." (Unfrozen accounts can still be accessed by the borrower.)
4. Post funding matters can be resolved by contacting your title or escrow officer. When working with knowledgeable, experienced professionals, like those at Monarch Title, most problems can be quickly resolved.

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