
Guest Column: The escrow process

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Now that you have your Realtor© and lender in place, lets explore the rest of the home buying process.

Your Realtor© and lender are hopefully communicating with you and each other. So now you have found the home you like. You write an offer, and it gets accepted. In this market there were probably at least a couple other offers, and yours is the one that was accepted. Congratulations, you are on your way to home ownership!

Your Realtor© will open escrow, and order whatever inspections that have been agreed upon. Escrow is the independent third party that will facilitate your home purchase.

Your lender will require you to send in many documents to get your loan approved. It is very important to turn those documents into your lender as soon as possible. Delays in turning in your documentation can cause delays to your loan and delays to your purchase.

Please do not go out and charge a house full of furniture at this point! I have seen buyers get excited and charge a bunch of stuff, only to find out the lender had to run their credit again towards the end of the process. The lender determined there was too much debt, so the buyers could not qualify for the loan.

If you have a load of new debt, it is quite possible you will no longer qualify for the loan. You may find yourself trying to find a place to put your newly purchased items.

Your lender will order an appraisal. The appraiser is the eyes of your lender as far as the value of the home goes. The appraiser will measure the property and pull together comparable properties that are active and that have sold. The appraiser will tell your lender the value of the property you are purchasing. If the property appraises for less than the purchase price some negotiations may have to be made for your lender to loan on the house.

Once the lender and escrow are ready to close your transaction, your lender will send documents to escrow for you to sign. Both you and the seller will have to sign. Once the county has recorded your documents you own a new home!

Remember the home buying process can be both exciting and stressful. There are things you can do to minimize the stress. Talk to your Realtor© to educate yourself to the home buying process.

Donna DeWolf is a local real estate broker who, along with Ron Reel, owns Reel Properties in Crescent City.