



- 1. Buyers and Sellers** – Talk with your real estate agent or escrow officer about how you want to communicate during the escrow period. **Email, phone, fax, mail?** Will your real estate agent communicate to escrow on your behalf?
- 2. Buyers and Sellers** - Be prepared to submit to Escrow, one of following: **Social Security Number**, Individual Taxpayer Identification Number (ITIN) for non-US citizens, or Employer Identification Numbers (EIN) for entities.
- 3. Buyers** - Discuss with your attorney how you want to hold **Title and Tenancy**. This information will be required by Escrow shortly after opening of escrow. Provide Trust, Corporate Authority Documents, or original Power of Attorney to Escrow, if applicable.
- 4. Buyers and Sellers** - Doing a **1031 Exchange**? Provide the name of the exchange company to Escrow within 2 weeks of opening escrow.
- 5. Sellers** – Discuss **FIRPTA / HARPTA tax** with your tax consultant if you are either a non-Hawaii resident or a non-US citizen. Forms are sent with the opening letter to seller; completed copies are provided to the buyer.
- 6. Buyers and Sellers** – You'll receive an opening letter from Escrow with documents for you to sign. Please read all documents carefully and **return signed documents promptly** to Escrow.
- 7. Buyers** – Provide to Escrow your **new lender's name** and contact information for your new loan (if applicable).
Sellers – Provide to Escrow your **lender's name and loan number** to enable payoff of your loan.
- 8. Buyers and Sellers** – Write down your **escrow number**, the name of your escrow officer and escrow associate – you'll find it in the opening letter. For security reasons, escrow will not provide you with information unless you know your escrow number.
- 9. Buyers and Sellers** – Are you **traveling out of state** any time during escrow? If so, be sure to let your lender, real estate agent and escrow officer know.
- 10. Buyers and Sellers** – Read the **"Preliminary Title Report"** you receive from Escrow to learn about any easements or encroachments on the property. Talk with your real estate agent if you have questions.
- 11. Final document signing** will take place approximately **4 to 10 days prior to recording / closing**. Signing date depends upon whether you are in Hawaii or on the mainland. If outside US, allow more time. You will receive a tentative closing statement for costs and/or income prior to recordation. Upon recording / closing, you'll receive a final statement (HUD-1).
- 12. Buyers** – When you or your lender transfer funds for your purchase, you must use either a **Hawaii bank cashier's check** or **Federal Reserve wired funds**.

Questions? Visit the Title Guaranty website: www.tghawaii.com

Escrow basics for buyers and sellers

Escrow is a neutral third party who performs the many details required to safely close your real estate transactions.

Escrow protects both buyer and seller and acts as an impartial, independent party in working with lenders, attorneys, brokers, agents and others in the parties to the transaction.

What happens during escrow?

Here are just a *few* items:

- ✓ Payment of existing liens or mortgages and adjustment of taxes and rents.
- ✓ Record documents (deeds, etc.) with the Hawaii Bureau of Conveyances.
- ✓ Escrow creates a final settlement statement between buyer and seller.
- ✓ Upon closing, a lasting record of the transaction available to establish the terms and conditions of conveyance or settlement.

17 offices statewide!

Please contact any one of our branches

<u>Oahu</u> Hawaii Kai Ph: 394-5252	<u>Maui</u> Kahului Ph: 871-2200	<u>Big Island</u> Hilo Ph: 935-6638	<u>Kauai</u> Koloa Ph: 742-8485
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Kahala Ph: 733-6020	Lahaina Ph: 661-8715	Kamuela Ph: 887-6020	Lihue Ph: 245-3381
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Kailua Ph: 266-2060	Wailea Ph: 891-1170	Kona Ph: 329-6666	Princeville Ph: 826-5300
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King Street
Ph: 592-5252

Main
Ph: 521-0211

Mililani
Ph: 630-2344

Pearlridge
Ph: 483-8121

Pearlridge West
Ph: 275-4440

Escrow timeline

- Escrow opened - Real estate agent gives sales contract and initial deposit to Escrow.
- Escrow sends out opening letters to buyer and seller with copy to real estate agent.



- Buyer and seller sign documents received in opening letter and return promptly to Escrow.
- Buyer must advise Escrow how buyer wants to hold title and tenancy (any questions, consult with an attorney).



- Buyer provides Escrow with lender's name and contact information.
- Escrow sends Preliminary Title Report to buyer, seller, real estate agent and new lender.



- Seller returns signed FIRPTA/HARPTA documents to Escrow.
- Escrow receives required reports and invoices: termite, cleaning, survey, etc.



- Escrow prepares estimate of closing costs HUD-1 Form.
- Buyer and seller sign all final documents, including deed, HUD-1 Form, loan agreement, etc.



3 Days Before Recording/Closing

- Escrow sends signed documents (recording packet) for final title review.



2 Days Before Recording/Closing

- Buyer's funds due by Federal Reserve wire transfer or Hawaii bank cashier's check.



1 Day Before Recording/Closing

- Title sends recording packet to Hawaii Bureau of Conveyances by 8:00 AM.



Recording/Closing

- Documents (deeds, etc.) recorded at Hawaii Bureau of Conveyances in Honolulu.
- Escrow sends out final settlement statement (HUD-1) to buyer and seller.
- Funds are disbursed and title policies are issued.