

5. **Accept New Loan Instructions and Documents.** This happens if the buyer is obtaining new financing for the home. The escrow holder also obtains the buyer's approval/execution of the documents. The escrow agent must also satisfy all lender's instructions before using the lender's funds to complete the transaction.

6. **Accept Fire Insurance Policies and Complete Settlement.** By this step, it's almost time to close the transaction. Here, following the buyer's and seller's instructions, the escrow holder:

- accepts and delivers any fire insurance policy and transfers the insurance;
- makes all payments on property taxes and insurance (called "prorations");
- completes the accounting (settlement) details; and
- informs the principals that escrow is ready to proceed.

7. **Request Closing Funds.** The escrow holder cannot disburse any funds until all items, such as checks or drafts, have cleared and become available for withdrawal.

8. **Audit File in Preparation for Closing.** In this step, the escrow holder:

- accounts for all funds and documents; and
- determines that the parties have complied with all escrow instructions.

9. **Order Recording.** At this point, the escrow holder authorizes the title company to run the seller's title and to record the necessary documents. This can happen provided no change has occurred in the seller's title since the preliminary title report was issued.

10. **Close Escrow.** This is what you've been waiting for! Closing the deal. The escrow holder can "close escrow" after confirming recording, by:

- preparing settlement statements for buyer and seller;
- disbursing all funds; and
- delivering documents to the party or parties involved.