

WHAT IS ESCROW?

A CLOSER LOOK AT THE TERM AND IT'S MEANING.

Escrow is when an impartial third party holds on to something of value during a transaction.

EARNEST MONEY

During the home buying process, the term escrow, refers to an earnest money deposit that is held by a neutral third party on behalf of the parties who are completing the real estate transaction. The buyer's agent will collect the earnest money check and deposit it into an escrow account held by the third party specified in the contract.

THE ESCROW AGENT

The term escrow is also used to describe the title company who is hired to handle the closing transaction. The escrow agent maintains all documents and funds related to the transaction held in the escrow account until the day of closing.

LENDER ESCROW ACCOUNTS

Escrow is used again to describe the escrow accounts your lender sets up in order to pay your home insurance and property taxes when they become due. Talk to your lender to discuss the available options.

