

# OCEA ESCROW TIP OF THE MONTH

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from the desk of Debi Peters, CEO, CSEO



## Adjusting the sales price sets off a chain reaction!

- **Terms Amendment** – If there's new financing, confirm the new loan amount with the Buyer and their lender. Is the loan amount a percentage of the sales price, or does the Buyer have a fixed amount allocated for the down payment? Don't assume.
- **Commissions** – Ask the listing agent: are the commissions a percentage of the new sales price? Or are they flat, lump sum amounts? With the price change, there may have been other new negotiations.
- **Seller Concessions** – Were there credits given for Buyer's costs? Are those amounts affected? Ask.
- **Escrow Fee** – Your computer software may make the changes automatically, but take a look, to make sure.
- **Title Premiums** – Get revised quotes for title premiums. (See "Escrow fee" above)
- **New Estimate of Costs** – Buyer's lender will need a new estimate, to redisclose to the Buyer.
- **Documentary Transfer Tax** – Your computer software will probably change it automatically for the *settlement statement*... but has the Grant Deed already gone out for Seller signatures with the original pricing? If so, you'll need to correct it before the Deed is shipped to the title company!
- **Preliminary Change of Ownership Report** – Has the Buyer already completed a PCOR, Riverside DTS affidavit, or other similar document? If so, be sure to get a new one! (I suggest sending these out just prior to *closing*, when the terms have been finalized, instead of sending with the *opening* packages...)

**Bottom line:** Take the time to *carefully read* the contract and escrow instructions. Ask questions. Be sure you catch *all* of the changes, to avoid creating an incorrect settlement statement and/or having your recording pulled. It's escrow's responsibility to prepare and submit accurate documents... Professionals don't rely on their title officers to clean things up... right?



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