



What is Sub-Escrow?

SettlementOne Title provides sub-escrow services when funds are received in order to pay off existing liens against a property (or individual) at the close of escrow. These services include:

- Coordinating with the escrow company or lender for recording
- Verifying and updating payoff demand figures with the lender
- Verifying payment of property taxes
- Calculating the payoffs on the day of closing
- Disbursing all payoffs and net proceeds per instructions
- Notifying the escrow company upon confirmation of recording
- Processing refunds

What is the Sub-Escrow Process?

When the escrow company receives the Preliminary Report from the borrower, they send out "Requests for Demand for Payoff" to the current lien-holders that need to be rectified at the close of escrow. On receipt of these demands, the escrow company sends them to the title officer who then summarizes the documents for the payoff department prior to the close of escrow. The payoff clerk verifies the payoff amounts and calculates the final payoff totals. Once the clerk receives the funds from the new lender and confirmation of the recorded documents, the clerk disburses the funds to the lenders and creditors. Any excess funds are returned to escrow.

What Terms Should I Know?

Payoff - The receipt of funds from the buyer and the payment of the obligations of the seller in conjunction with a real estate transaction.

Payoff Fees - SettlementOne Title Company's fees for handling a payoff vary slightly from county to county. The fee is strictly a processing charge and does not cover special handling charges or potential shortages.

Prefigures - Estimated payoff figures are calculated and given to escrow prior to closing upon request. These figures are only valid through the date given and are based on the information received at that time.

Demands - Demands for payoff are the written request for payment from the lenders institution and must include specific payoff information concerning the particular property and must be signed. It is the responsibility of the escrow company to timely order and provide all necessary demands including any updates or changes.

Taxes - Outstanding property taxes can be paid out of the payoff process.

Refunds - Any overpayments of demands will be refunded to the escrow upon receipt from the lender.

SettlementOne Title Company

provides title insurance services to realtors and lenders nationwide. For over a decade, SettlementOne Title's experienced experts continue to offer superior service, industry leading technology, and reliable, accurate services throughout every step of your real estate transaction.

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