

ESCROW RED FLAGS

Plan Ahead to Avoid Closing Delays



POWER OF ATTORNEY AND TRUST DOCUMENTS: The use of a Power of Attorney (POA) must be approved in advance of settlement by the Title Company and the Lender (Buyers). If a POA is going to be used or the property is being held in or placed in a Trust, inform the Escrow Officer and Lender as soon as possible.



FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA): If the Sellers are not United States citizens, please advise your customers to review the FIRPTA requirements prior to closing.



INTERNAL REVENUE SERVICE (IRS): All real estate sale transactions must be reported to the IRS. Inform your Sellers that they will be asked to complete applicable IRS forms and provide their Social Security Number(s) or Tax Identification Number (TIN).



INVOICES DUE: If debts pertinent to the transaction are to be paid at closing and listed on the closing documents, provide copies of all invoices to the Escrow Officer at least one week prior to closing. Once the documents have been approved by all required parties any modifications could cause delays.



MAIL-AWAY: If any parties are unable to attend the closing, provide physical address(es) where the closing documents should be delivered and a contact phone number as soon as possible. Upon approval, DocuSign®, an electronic document signature platform, may be another option for signing. Please note that some documents require a wet signature and the services of a notary.



VALID PHOTO IDENTIFICATION: At closing, one form of identification is required. Valid photo identifications include: Current U.S. Driver's License or non-driver I.D. - Current U.S. or Foreign Passport (Foreign Passport must be stamped by U.S. Immigration and Naturalization Services).



FUNDS FOR CLOSING – CASHIER CHECK OR WIRE TRANSFER REQUIRED: Cash and ACH (Automatic Clearing House) funds cannot be accepted. We do not automatically accept all checks. Personal checks are not immediate available funds; therefore, timelines set forth by the Federal Reserve Bank and our company are followed. If proceeds from another settlement are being used contact the Escrow Officer to verify the acceptance of those funds.



WIRE FRAUD: All wire instructions are sent via secure email. Changes to the instructions are uncommon. Parties should confirm wire instructions by phone using a known number before transferring funds. Links or phone numbers received in any secondary email correspondence should not be used.

Questions? Please contact our office today.

We make things simple.



***First American
Title Company***

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