



OAKWOOD ESCROW™

PROTECTION • TRUST • NEUTRALITY

WHY USE AN INDEPENDENT ESCROW COMPANY

Most real estate transactions in the State of California utilize the services of an escrow company. Ironically, escrow remains one of the least understood elements of the real estate process.

Because of this, buyers and sellers often place their faith in the real estate broker or lender to recommend an escrow company. What many consumers don't realize, however, is that they are entrusting this escrow company to safeguard their funds being held in trust. In addition, it is the primary responsibility of the escrow holder to ensure that all of the necessary instructions in the real estate agreement are executed.

The responsibility to protect the consumers' interests should not be taken lightly. The escrow holder must remain impartial during the escrow period to ensure fair representation of all parties. It is crucial, then, that the broker, lender or the consumer makes a knowledgeable and informed decision in choosing an escrow company.

“Licensed” vs. “Controlled”

All escrow companies in California can be classified into two basic categories: Licensed or Controlled. “Licensed” escrow companies are independent businesses licensed by the California Department of Financial Protection and Innovation (DFPI). This license regulates the procedures and practices of the companies and subjects them to stringent requirements designed to protect consumers. “Controlled” escrow companies are non-licensed businesses that can be owned by a variety of entities, including real estate brokers, mortgage brokers, banks, savings and loans, and title insurance companies. Such companies fall under the jurisdiction of a variety of supervising agencies, with regulations and requirements that vary widely. One fact remains constant however; none of the agencies have regulations as strict as those imposed on the escrow companies licensed by the Department of Financial Protection and Innovation.

Neutral Third Party

The bottom line is that a licensed escrow company is the best possible neutral third party to complete your real estate transaction. Whether searching for an escrow holder yourself, or if you are looking to recommend one to a client; a licensed escrow company gives you peace of mind.

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