

ESCROW TERMINOLOGY EXPLAINED

THE DIFFERENCE BETWEEN FUNDING AND RECORDING

Throughout an Escrow Transaction, questions often arise about verbiage used during the transaction. To help clarify, Inter Valley Escrow provides the following definitions for **FUNDING** and **RECORDING**:

WHAT IS FUNDING?

Funding refers to the point when the Buyer's Lender has completed all of the conditions for the Buyer's new loan and wires their loan funds to the title company. Once the wire has been sent, and received by the title company, the loan is "funded". At this point the escrow company will "set up" the file with the title company, authorizing title to record all appropriate documents with the county recorder.

Recording processes vary from county to county; most often the recording will not occur until the next business day.

WHAT IS RECORDING?

Recording is the stage of the transaction where any and all documents required to be recorded for that particular transaction are officially recorded with the county recorder's office. The recording of the Grant Deed is the trigger in California for the Close of Escrow. Once the Grant Deed has been recorded, the ownership of the property has officially transferred from the Seller to the Buyer. The county recorder will notify the title company. The title company will notify Escrow. Escrow will notify the Realtors or any parties involved. The escrow transaction is now closed, and Escrow will balance the file and disburse all funds and send appropriate closing packages to all parties involved.