

# How Do Escrow Payments Work?

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## Find an Agent and Open an Account

After the terms of the sale are negotiated and agreed upon, an escrow agent is found, and an escrow account is opened.

2

## Fund the Account

Once the purchase agreement is signed, the buyer deposits the earnest money portion of the down payment into the escrow account.

3

## Lender Appraisal

If the buyer is financing the property, the lender will arrange an appraisal to assess the home's value and evaluate whether the home is worth the amount being loaned.

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## Title Search and Insurance

A title search is conducted to confirm that the seller legally owns the property and that there are no claims against it. The buyer may also be required to purchase title or homeowners insurance.

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## Final Walk-Through

Before the deal is closed, the buyer will do a final walk-through to confirm the property is in the agreed-upon condition.

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## Closing

Once all conditions are met, the remaining down payment funds and closing costs are deposited into escrow and then released to the seller. The transaction is then complete.