

WHAT DOES ESCROW DO?

A simple guide for buyers and sellers - including cost planning

Escrow is the neutral middle table.

The buyer has money and documents. The seller has the property and documents. Escrow holds and coordinates the important pieces until the written instructions say everything is ready to move.

What escrow usually does

- Receives and safeguards funds according to escrow instructions.
- Prepares and processes escrow instructions and closing documents.
- Coordinates with the buyer, seller, lender, title company and brokers.
- Requests payoff information and handles authorized prorations such as taxes, interest, insurance or rents.
- Tracks whether required conditions/instructions have been satisfied or waived.
- Prepares estimated and final settlement/accounting statements.
- Records or coordinates recording as instructed, disburses authorized funds and closes escrow.

What escrow does NOT do

- It does not negotiate the deal for you.
- It does not replace your real estate broker, lender, attorney, CPA, inspector or insurance professional.
- It should not give legal or investment advice.

Planning for escrow costs

Escrow fees in California are not one fixed statewide price. Providers use their own schedules, often based on a base fee, purchase price, transaction type and extra services. A current California escrow provider describes a broad Southern California residential resale range of roughly **\$1,000-\$5,000 or more**, with some providers using about **0.2%-0.5% of price**. This is a budgeting guide only - always request a written quote for the actual transaction.

PROPERTY TYPE	WHAT CAN CHANGE THE FEE	ACP PLANNING APPROACH
Single-family / condo	Price, loan tie-in, payoffs, extra documents, rush or special	Use \$1,000-\$5,000+ as a broad escrow-service planning range until a
Manufactured / mobile home	Real property vs personal property, park/space lease, lender	Do not assume the single fee is the same for all transactions. Request a transaction-specific quote
Vacant land	Cash vs loan, seller financing, deeds of trust, acreage/APN	Complexity/land-specific special. Seller financing or unusual recording/ins

Important: escrow fee is not the same as total closing costs

Title insurance, lender charges, recording, transfer taxes, prepaid taxes/insurance, HOA/park charges, inspections, commissions or broker compensation, credits and other transaction items can be separate. ACP should obtain a written escrow/title estimate or net sheet for the specific property.