

The title and escrow process protects everyone involved in a real estate transaction by ensuring ownership is legitimate, financial obligations are addressed, and the transfer of property is properly documented.

A title company serves two critical roles: researching the history of the property and acting as the neutral party responsible for closing the transaction.

### Step 1: Opening Escrow

- Once a purchase contract is accepted, escrow is opened with the title company. The escrow officer begins coordinating the transaction and collects the contract, earnest money, and contact information for all parties involved.

### Step 2: Title Search

- A title examiner reviews public records to verify the property's ownership history. This search identifies any issues that could affect ownership, including:
  - Existing mortgages or liens
  - Unpaid property taxes
  - Easements or encroachments
  - Judgments or legal claims against the property
  - Any issues discovered must typically be resolved before closing.

### Step 3: Title Commitment

- After the title search is completed, the title company issues a title commitment, outlining the conditions that must be satisfied before a title insurance policy can be issued. This document also details any exceptions that will remain on title.

### Step 4: Clearing Title

- If problems are discovered during the search, the title company works with the appropriate parties to resolve them. This may include paying off liens, correcting documentation, or obtaining releases.

### Step 5: Closing Preparation

- The escrow officer prepares closing documents and coordinates with the lender, real estate agents, buyer, and seller to finalize the transaction.
  - This includes:
    - Settlement statements Closing Disclosure (Now known as CD or Closing Disclosure)
    - Loan documents
    - Deeds and recording documents
    - Final payoff statements
    - Seller property condition disclosures (included in the REPC when prepared by a licensed Realtor or completed by the seller in FSBO transactions)

### Step 6: Closing & Recording

- At closing, all required documents are signed and funds are distributed. The title company then records the new deed with the county, officially transferring ownership to the buyer.

### Why This Process Matters

- Without the title and escrow process, buyers could unknowingly inherit debt, ownership disputes, or legal claims against their property. Title insurance and professional escrow coordination help ensure the transaction closes with clarity, protection, and confidence.

### Have Questions? We're Here to Help.

US Title Insurance is a trusted resource for Realtors, mortgage lenders, real estate investors, builders and developers across Utah. If you need guidance on a transaction or have questions about this topic, our escrow officers are ready to assist.