

REAL 224: ESCROW I

Citrus College Course Outline of Record

Heading	Value
Effective Term:	Fall 2022
Credits:	3
Total Contact Hours:	54
Lecture Hours :	54
Lab Hours:	0
Hours Arranged:	0
Outside of Class Hours:	108
Transferable to CSU:	Yes
Transferable to UC:	No
Grading Method:	Standard Letter

Catalog Course Description

Escrow procedure involving processing real estate sales, loan, and business escrows; drawing and processing of documents, title search, title reports, prorations, legal requirements, and closing procedures. 54 lecture hours.

Course Objectives

- independently analyze and prepare escrow documents correctly in both southern and northern California
- apply proper principles in helping the client in selecting escrow and title companies which provide the best service at reasonable cost
- anticipate applicable federal and state disclosure laws and penalties
- analyze and apply escrow procedures in residential and income producing property escrows
- anticipate, define and formulate solutions to significant regional differences in southern and northern California escrow procedure

Major Course Content

1. Introduction
 - a. History and terminology of the escrow process
 - b. Legal requirements to open escrow
 - c. Basic differences between northern and southern California
 - d. Legal standards and professional association requirements governing escrow procedures
2. Escrow Practices
 - a. Reasons why virtually all real estate transactions go through escrow
 - b. Property transactions in which escrow is required by law
 - c. Criteria in selecting the escrow agent
 - d. Provisions on a deposit receipt including contingencies
 - e. California disclosure requirements; how "buyer beware" has been replaced by "seller beware" with resultant responsibility of escrow officers and selling agents
3. Title Insurance
 - a. How title insurance evolved in California in contrast to abstracting in Eastern states
 - b. What standard CLTA and ALTA policies cover; how the buyer can minimize the effect of exclusions

- c. How title insurance requirements differ between condominiums, co-ops, and time-shares
 - d. How to analyze the preliminary title report
4. Insuring the Condition of the Property
 - a. Termite report - what is included
 - b. Evaluating pest control and damage documentation before issuing the clearance report
 - c. How to limit costs in pest control work
 - d. Responsibility of agents under Easton v. Strassburger decisions
5. Financing
 - a. Importance of up-to-date information on local lenders
 - b. How the agent can qualify buyer before opening escrow
 - c. Legal requirements: federal truth-in-lending law and seller financing loan disclosure requirements
 - d. Protecting the buyer: request for notice of default on present loan
 - e. Assumption agreements: how to determine if buyer qualifies
6. Debits, Credits and Prorations
 - a. Definition of terms
 - b. Probable debits (costs) and credits for buyer and seller in both northern and southern California
 - c. Prorations: taxes, interest, rents, insurance, maintenance fees, homeowners dues, and commissions
7. Escrow Instructions
 - a. Opening escrow: drawing unilateral instructions in northern California and bilateral instructions in southern California
 - b. Analyzing the charges - helping the buyer and seller in understanding the charges and making decisions in the best interest of each
 - c. Preparing instructions for real estate exchanges including "Starker" and 1031 tax deferred
8. Closing the Escrow
 - a. Signing documents including promissory notes, deeds of trust, Regulation Z disclosure statements, recession forms, lender requirements, sale agreements for personal property, FIRPTA and RESPA requirements
 - b. Buyer and seller checklists
 - c. Notary requirements and recommendations
 - d. What the buyer should look for in the final walk-through
9. Case studies (Because Citrus College is in southern California , it is recommended that local cases be presented.)
 - a. Case study of residential escrow
 - b. Case study of income property escrow

Suggested Reading Other Than Required Textbook

Wall Street Journal Los Angeles Times

Examples of Required Writing Assignments

REAL ESTATE MAGAZINE ARTICLE SUMMARY. read an article concerning some aspect of Real Estate. You are to summarize the article in about 2-3 pages. You may find suitable articles in any business related magazine or publication, or any other suitable business source. These magazines are available at various libraries. A copy of the article is to be attached to your summary. Real Estate Web Site Report. Go to any Real Estate related

website. Review several sites and topics and submit a short (2-3 pages) summary of your findings. Be sure to list the website with your article.

Examples of Outside Assignments

REAL ESTATE MAGAZINE ARTICLE SUMMARY. read an article concerning some aspect of Real Estate. You are to summarize the article in about 2-3 pages. You may find suitable articles in any business related magazine or publication, or any other suitable business source. These magazines are available at various libraries. A copy of the article is to be attached to your summary. Real Estate Web Site Report. Go to any Real Estate related website. Review several sites and topics and submit a short (2-3 pages) summary of your findings. Be sure to list the website with your article.

Instruction Type(s)

Lecture, Online Education Lecture