

# REAL ESTATE: ESCROW PRINCIPLES (60 Hours)

Course No.: 71-40-60

## COMPETENCY CHECKLIST

Student Name \_\_\_\_\_

Teacher Name \_\_\_\_\_ School Site \_\_\_\_\_

Start Date \_\_\_\_\_ Completion Date \_\_\_\_\_ Certificate Date \_\_\_\_\_

Teacher Signature \_\_\_\_\_ Student Signature \_\_\_\_\_

(Signature verifies completion of course competencies)

### A. ESCROW: AN INTRODUCTION (3 hrs)

- \_\_\_\_\_ 1. Define meaning of escrow
- \_\_\_\_\_ 2. Describe why escrow is required
- \_\_\_\_\_ 3. Describe escrows required by law
- \_\_\_\_\_ 4. Define meaning of real property
- \_\_\_\_\_ 5. Define meaning of personal property
- \_\_\_\_\_ 6. List five requirements of a contract
- \_\_\_\_\_ 7. Describe what is meant by capable parties
- \_\_\_\_\_ 8. Define mutual consent and proper writing
- \_\_\_\_\_ 9. Describe what is meant by lawful nature
- \_\_\_\_\_ 10. Explain sufficient considerations
- \_\_\_\_\_ 11. Define stated conditions of a contract
- \_\_\_\_\_ 12. Define escrow holders as agents
- \_\_\_\_\_ 13. Independent escrow agent corporations
- \_\_\_\_\_ 14. Escrow departments of financial institutions
- \_\_\_\_\_ 15. Define attorneys-at-law
- \_\_\_\_\_ 16. Define Real Estate licensees
- \_\_\_\_\_ 17. Describe California Escrow Association
- \_\_\_\_\_ 18. Define Escrow Institute of California
- \_\_\_\_\_ 19. Define California Land Title Association
- \_\_\_\_\_ 20. Ethical behavior of escrow personnel
- \_\_\_\_\_ 21. Describe escrow as a service
- \_\_\_\_\_ 22. Define confidentiality
- \_\_\_\_\_ 23. Define neutrality
- \_\_\_\_\_ 24. List attributes of escrow personnel
- \_\_\_\_\_ 25. Describe sanctions against practicing law
- \_\_\_\_\_ 26. Describe CEA's Code of Ethics
- \_\_\_\_\_ 27. Pass test on safe office procedures
- \_\_\_\_\_ 3. Describe taking an escrow
- \_\_\_\_\_ 4. Define the escrow memo or escrow order
- \_\_\_\_\_ 5. Define escrow instructions
- \_\_\_\_\_ 6. Describe instruments of transfer-deeds
- \_\_\_\_\_ 7. Define land patents
- \_\_\_\_\_ 8. Identify warranty deed
- \_\_\_\_\_ 9. Define grant deed
- \_\_\_\_\_ 10. Identify sub-types of grand deeds
- \_\_\_\_\_ 11. Define Quit Claim deeds
- \_\_\_\_\_ 12. Identify requisites of a valid deed
- \_\_\_\_\_ 13. Define vesting
- \_\_\_\_\_ 14. Describe documentary Transfer Tax
- \_\_\_\_\_ 15. Define title insurance
- \_\_\_\_\_ 16. Define CLTA Standard Coverage
- \_\_\_\_\_ 17. Define CLTA Extended Coverage
- \_\_\_\_\_ 18. Define ALTA Lender's Coverage
- \_\_\_\_\_ 19. Describe how cash is received into escrow
- \_\_\_\_\_ 20. Define a deed of trust
- \_\_\_\_\_ 21. Define a note
- \_\_\_\_\_ 22. List terms associated w/deeds of trust & notes
- \_\_\_\_\_ 23. Describe adjustments and prorations
- \_\_\_\_\_ 24. Define property tax
- \_\_\_\_\_ 25. Determine interest on loans
- \_\_\_\_\_ 26. Need for continuous fire insurance coverage
- \_\_\_\_\_ 27. Define rents on adjustments
- \_\_\_\_\_ 28. Define a settlement sheet
- \_\_\_\_\_ 29. Describe recording in County Records
- \_\_\_\_\_ 30. Describe how to transmit funds
- \_\_\_\_\_ 32. Describe how to cancel an escrow
- \_\_\_\_\_ 33. State general timeline for escrow-South
- \_\_\_\_\_ 34. State general timeline for an escrow-North

### B. EVALUATION: ESCROW: AN INTRODUCTION

(0.5 hr)

- \_\_\_\_\_ 1. Test on terms and reasons for contract

### C. BASIC ESCROW PROCESSES (8 hrs)

- \_\_\_\_\_ 1. List six main chores in escrow
- \_\_\_\_\_ 2. Describe North-South Know procedures

### D. EVALUATION: BASIC ESCROW PROCESSES (0.5 hr)

- \_\_\_\_\_ 1. Test on basic procedures in opening escrow

**E. HANDLING A NEW LOAN** (4 hrs)

- \_\_\_\_\_ 1. State steps in taking in a new escrow
- \_\_\_\_\_ 2. Describe a memo sheet
- \_\_\_\_\_ 3. What is included in escrow instructions
- \_\_\_\_\_ 4. Define a grant deed
- \_\_\_\_\_ 5. Define steps needed to begin a title search
- \_\_\_\_\_ 6. Steps in handling commission instructions

**F. EVALUATION: HANDLING A NEW LOAN** (0.5 hr)

- \_\_\_\_\_ 1. Test on process for handling a new loan

**G. ESCROWS CHECK-LISTS** (4 hrs)

- \_\_\_\_\_ 1. Describe how a check sheet is used
- \_\_\_\_\_ 2. Procedures in accepting money into escrow
- \_\_\_\_\_ 3. How documents are accepted into escrow
- \_\_\_\_\_ 4. Describe a settlement sheet
- \_\_\_\_\_ 5. Define amendments to escrow instructions
- \_\_\_\_\_ 6. Steps to order a Preliminary Report of Title
- \_\_\_\_\_ 7. Interpret a reconveyance
- \_\_\_\_\_ 8. Describe a Pest Control Inspection Report
- \_\_\_\_\_ 9. Obtaining an approval on Inspection Reports

**H. EVALUATION: ESCROW CHECK-LISTS** (0.5 hr)

- \_\_\_\_\_ 1. Test on procedure for tracking loan progress

**I. PRELIMINARY REPORT OF TITLE FOR CLOSURE OF AN ESCROW** (5 hrs)

- \_\_\_\_\_ 1. Examining a Preliminary Report of Title
- \_\_\_\_\_ 2. Define encumbrances
- \_\_\_\_\_ 3. Define demand from beneficiary
- \_\_\_\_\_ 4. Compute adjustments on interest payments
- \_\_\_\_\_ 5. List steps in reconveyance
- \_\_\_\_\_ 6. Define mortgage
- \_\_\_\_\_ 7. Describe fire insurance
- \_\_\_\_\_ 8. Compute prorating property taxes
- \_\_\_\_\_ 9. Describe loan fees
- \_\_\_\_\_ 10. Describe title insurance fees
- \_\_\_\_\_ 11. Describe pest control inspection fees
- \_\_\_\_\_ 12. Describe escrow fees
- \_\_\_\_\_ 13. List steps necessary in obtaining buyer's fund
- \_\_\_\_\_ 14. List steps for closing the escrow
- \_\_\_\_\_ 15. Describe final escrow settlement

**J. EVALUATION: PRELIMINARY REPORT OF TITLE FOR CLOSURE OF AN ESCROW** (0.5 hr)

- \_\_\_\_\_ 1. Test on procedure for closing an escrow

**K. OTHER SAMPLE ESCROWS** (5 hrs)

- \_\_\_\_\_ 1. Describe a Power of Attorney
- \_\_\_\_\_ 2. Define Rent Statement
- \_\_\_\_\_ 3. Define an Offset Statement
- \_\_\_\_\_ 4. Describe assignment of water stock

- \_\_\_\_\_ 5. Define grant deed with power of attorney

**L. EVALUATION: OTHER SAMPLE ESCROWS** (0.5 hr)

- \_\_\_\_\_ 1. Test covering details on other types of escrows

**M. BINDERS, EASEMENTS, AND SCHEDULES** (3 hrs)

- \_\_\_\_\_ 1. Describe an Interim Binder
- \_\_\_\_\_ 2. Define a Schedule A
- \_\_\_\_\_ 3. Define a Schedule B
- \_\_\_\_\_ 4. Define an easement
- \_\_\_\_\_ 5. Describe title insurance premium fees

**N. EVALUATION: BINDERS, EASEMENTS, AND SCHEDULES** (0.5 hr)

- \_\_\_\_\_ 1. Test on binders, easements, and schedules

**O. RECORD AN ESCROW** (7 hrs)

- \_\_\_\_\_ 1. Define a deed of trust
- \_\_\_\_\_ 2. Develop a deed of trust
- \_\_\_\_\_ 3. List steps in filling out a note
- \_\_\_\_\_ 4. Describe procedures to follow for a lost note
- \_\_\_\_\_ 5. Prepare pro-rations of property taxes
- \_\_\_\_\_ 6. Prepare pro-rations of water stock
- \_\_\_\_\_ 7. Make adjustments in fire insurance
- \_\_\_\_\_ 8. Divide up prepaid rents
- \_\_\_\_\_ 9. Balancing account on final escrow statement
- \_\_\_\_\_ 10. Develop procedure for calling for recording
- \_\_\_\_\_ 11. Develop seller's closing letter
- \_\_\_\_\_ 12. Develop buyer's closing letter
- \_\_\_\_\_ 13. Show other disbursement

**P. EVALUATION: RECORD AN ESCROW** (0.5 hr)

- \_\_\_\_\_ 1. Test on procedures in recording an escrow

**Q. ESCROW FOR AN EXISTING LOAN** (5 hrs)

- \_\_\_\_\_ 1. Handling an escrow on an existing loan
- \_\_\_\_\_ 2. Define memoranda of agreement
- \_\_\_\_\_ 3. Define supplemental instructions
- \_\_\_\_\_ 4. Steps in preparing a broker's mailing
- \_\_\_\_\_ 5. How to handle commission instructions
- \_\_\_\_\_ 6. List steps for ordering Title Report
- \_\_\_\_\_ 7. Define "Assumed" in beneficiary statement
- \_\_\_\_\_ 8. Define "Subject to" in beneficiary statement
- \_\_\_\_\_ 9. "Wraparound" vs "all-inclusive" deed of trust
- \_\_\_\_\_ 10. Define Homestead
- \_\_\_\_\_ 11. Describe how to read a Section map

**R. EVALUATION: ESCROW FOR AN EXISTING LOAN** (0.5 hr)

- \_\_\_\_\_ 1. Test on procedures for an existing loan

**S. COMPLETE REPORT OF TITLE** (6 hrs)

- \_\_\_\_\_ 1. Describe second deed of trust and note

- \_\_\_\_\_ 2. Handling funds for work not completed
- \_\_\_\_\_ 3. Describe adjustments and prorations
- \_\_\_\_\_ 4. Complete settlement sheet
- \_\_\_\_\_ 5. Procedures for buyer/seller final settlement
- \_\_\_\_\_ 6. Describe other disbursements

**T. EVALUATION: COMPLETE REPORT OF TITLE**

(0.5 hr)

- \_\_\_\_\_ 1. Test on procedures for closure of escrow

**U. ETHICS: LAWS AND REGULATIONS (2 hrs)**

- \_\_\_\_\_ 1. State Law DRE Regulation 2785(A)
- \_\_\_\_\_ 2. State Ethical Law DRE Regulation 2785(B)
- \_\_\_\_\_ 3. State Beneficial Law DRE Regulation 2785(C)
- \_\_\_\_\_ 4. State Law Section 101876 for licensee
- \_\_\_\_\_ 5. State Law Section 10177 for non-licensee
- \_\_\_\_\_ 6. Describe listed California Laws
- \_\_\_\_\_ 7. Describe listed Federal Laws
- \_\_\_\_\_ 8. Laws developed by Voluntary Associations

**V. EVALUATION: ETHICS: LAWS AND REGULATIONS**

(0.5 hr)

- \_\_\_\_\_ 1. Test on ethical processes for personnel

**W. EMPLOYABILITY SKILLS (1 hr)**

- \_\_\_\_\_ 1. Step in a job search
- \_\_\_\_\_ 2. Résumé and cover letter
- \_\_\_\_\_ 3. Complete job application form legibly
- \_\_\_\_\_ 4. Demo punctuality and regular attendance
- \_\_\_\_\_ 5. Job interview preparation
- \_\_\_\_\_ 6. Participate in mock interview as applicant
- \_\_\_\_\_ 7. Participate in mock interview as employer
- \_\_\_\_\_ 8. Civil, age and equal rights in employment
- \_\_\_\_\_ 9. Describe employer's rights
- \_\_\_\_\_ 10. Describe various benefits
- \_\_\_\_\_ 11. Define listed items related to payroll
- \_\_\_\_\_ 12. Customer service to build business

**X. FINAL EXAMINATION (1.5 hrs)**

- \_\_\_\_\_ 1. Pass exam on theory/components of escrow