

Title and Escrow companies require written current payoff/demand statements prior to the close of escrow for all mortgages, lines of credit, assessments, judgments, Federal and State Tax Liens, and other matters affecting the title.

If the Seller/Borrower has made a payment within a few weeks of the closing, the title and escrow company will require proof and will review for approval the documentation provided. Typically updated statements will be ordered by escrow, and fees associated with the updates may be required.

Unless written confirmation of payment made is received from the payee prior to close, a delay of recording/closing may occur or, under certain circumstances, funds may need to be held at close.

Here are some examples of payoff/demand statements that Escrow or Title will require if payments are made in advance:

- Real Estate Taxes, Assessments, Water Bills and Association Dues Paid receipt from the county, city or association as applicable
- Homeowners' Association Liens and Judgments Original Satisfaction or Release of Lien
- Federal State and Tax Liens Written statement from the IRS that the lien has been paid in full or IRS will provide a release of lien
- Mortgages/Equity Lines of Credits Reconveyances

Material discussed is meant for general illustration and/or informational purposes only and it is not to be construed as tax, legal, or investment advice. Although the information has been gathered from sources believed to be reliable, please note that individual situations can vary, therefore, please consult a professional for specific advice.