



TITLE COMPANY
of the rockies

Is Your Money Safe at Your Title Company?

Appropriate and effective escrow controls along with continued staff training are crucial for a title company to meet all legal and practical requirements for the day-to-day safeguarding of all customer funds. This Primer highlights the best practices utilized by our company on your behalf. They are:

- Escrow funds are always separately maintained from any company operating accounts. Escrow funds can never be commingled with company operating accounts.
- Sweep Account structures are never maintained.
- Escrow Accounts are identified as “escrow” or “trust” accounts with all financial institutions we utilize and all statements, agreements, disbursement checks, and deposit slips maintain that requisite designation.
- Escrow Trust Accounts must be prepared with Trial Balances.
- Our company reconciles all Escrow Accounts on a daily basis. We maintain an experienced escrow accounting team for that dedicated purpose. Reconciliation reports are received each business day by branch office personnel and company management.
- Background checks for all employees have been completed in the hiring process and will be updated as a company best practice.
- Only employees whose banking authority has been defined by the company to authorize bank transactions may do so. Authorization levels are set per employee by company business rules and are routinely reviewed with our banking relationships. Escrow accounting personnel have no banking authority to transact business within any of our Escrow Accounts.
- All Escrow Accounts are maintained in Federally Insured Financial Institutions unless we receive written direction from the beneficial owner directing an alternate structure.
- Each beneficial owner in an Escrow Account realizes applicable FDIC insurance coverage per our banking relationships and attendant structures.
- Automated Clearing House (ACH) blocks are maintained for all Escrow Accounts, and direct international wires will not be accepted.
- All wire transmissions are subject to dual controls to authorize and approve those transfers. All wires require we utilize bank issued security fobs that mandate a random authorization code be applied for transferring such funds.
- Our underwriters routinely audit our Escrow/Trust Accounts outside of our internal escrow accounting teams. We are also subject to audit by the Colorado Division of Insurance regarding our Escrow Accounts and practices.
- Unclaimed funds are routinely escheated to the State of Colorado.
- All banking relationships are reviewed routinely for acceptable bank ratings published by third party rating services.
- We maintain seven-figure Cyber Liability insurance.
- Lastly and importantly, we have constructed a Fraud Alert System which is a compilation of all “watch” lists or “do not do business with” lists confidentially issued by our six underwriters on a national basis to their agents. Any new order is cross referenced against that proprietary database to make certain parties “of concern” are not involved in your particular transaction.

At Title Company of the Rockies we are very proud of the investments we make in our financial structures and controls to safeguard all customer funds. If you have any additional questions, please feel free to contact us to discuss any particular concern. To learn more about our title agency dedicated to the Colorado High Country for over 30 years and our growing family of title companies, see [About Us](#).

No legal or tax advice is being communicated in this Primer; seek legal or tax advice from your attorney or accountant. Source material obtained from the American Land Title Association, our banking relationships, Investopedia, our internal audit group and other general information. Know your funds are safe, and not be sorry to learn otherwise.



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DEFINITIONS

Escrow Trust Account: An account to hold funds in trust for third parties, including parties to a real estate transaction. These funds are held subject to a fiduciary capacity as established by written instructions.

Three-Way Reconciliation: A three-way reconciliation of escrow trust accounts which is a method for discovering shortages, charges that must be reimbursed, and any type of error or omission that must be immediately corrected in relation to an escrow trust account. This method demands that the escrow trial balance, the book balance, and the reconciled bank balance be compared to each other. If all three parts do not agree (reconcile), the difference must be immediately investigated and corrected.

Trial Balance: A list of all open individual escrow ledger record balances at the end of an escrow account reconciliation.

Escrow: A transaction in which an impartial third party acts in a fiduciary capacity for the seller, buyer, borrower, or lender in performing the closing for a real estate transaction according to local practices and customs. The escrow holders have fiduciary responsibility for prudent processing, safeguarding, and accounting for funds and documents entrusted to them.

Sweep Account: A bank account that automatically transfers amounts that exceed (or fall short of) a certain level into a higher interest earning investment option at the close of each business day. Commonly, the excess cash is swept into money market funds.

Federally Insured Financial Institutions: Are financial institutions that have their deposits insured by an instrumentality of the federal government, including the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA). FDIC insured accounts include checking accounts, savings accounts, and certificates of deposit. Not FDIC insured accounts include investments in money market mutual funds, stocks, bonds, annuities, treasury securities or other investment products.

AN INDEPENDENT TITLE AGENCY PROUDLY UNDERWRITTEN BY:



Title Company of the Rockies
www.titlecorockies.com

Project work for adjoining counties is available on a pre-approved basis. Title insurance is available on a statewide basis. Closing services can be provided throughout the State of Colorado and Nationally.

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