
MANUFACTURED HOMES

Question: The sellers of a mobile home in a park own their mobile home free and clear. The parties want to save the additional expense of escrow, which they regard as unnecessary in this case. Can the sale be closed without using an escrow?

Answer: The primary purpose of escrow is ensure that conditions concurrent to the closing are fulfilled. Any sale can legally be closed without using an escrow. In fact, the licensing law allows real estate brokers to handle closings, so long as the broker does not charge an additional fee for doing so. WAC 308-124D-020. However, it is prudent to use an escrow anytime there are concurrent conditions that must be met before delivery of the purchase price from the buyers to the sellers (e.g. clearing the title) and delivery of the deed from the sellers to the buyers (e.g. funding the loan). Here, since a mobile home treated as personal property is involved, there would be little risk to the parties of "closing" the sale themselves, because the sellers simply deliver the certificate of title to the mobile home and an assignment of the lease to the buyers in exchange for delivery of the purchase price. It is not much more complicated than selling a car. Because the only methods of perfecting a security interest in a motor vehicle are actual possession of the collateral or appearing as the legal owner on the certificate of title, there is little risk of competing claims to the mobile home, unlike real property transactions.

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