

Domain Name Escrow with Escrow.com

Watch the full video at:

<http://www.domainsherpa.com/escrowcom-escrow/>

In this DomainSherpa tutorial, I walk you through exactly how to set-up a safe and secure escrow transaction when selling you domain name to make sure both the buyer and seller are financially protected. Stay tuned.

I have three sponsor messages before we get into today's show.

First, if you have a great domain name and nothing to show when people visit, you're missing out on potential advertising revenue, leads and partnership opportunities. NicheWebsites.com can build you a site quickly with a price option to suit any need — but as their tagline says, they don't just build websites, they build businesses. NicheWebsites.com.

Second, if you're buying or selling a domain name or portfolio and you want an estimate of it's value, Estibot.com is the place to go. Just like you'd visit Zillow.com to get an estimate of a house value, Estibot.com provides key information about the most important statistics so you can make an informed decision based on data.

Finally, whether you are buying, selling, brokering or financing a domain name you need an escrow company that is properly licensed, bonded, insured and audited. That company is Escrow.com and they have been doing it since 1999. Escrow.com – it's about trust.

Hey everyone, my name is Michael Cyger and I'm the publisher of DomainSherpa.com – the website where you can learn how to become a successful domain name investor or entrepreneur directly from the experts.

Today's show is a tutorial. I'm going to walk you through how to perform a safe and secure escrow transaction to make sure both the buyer and seller are financially protected. So whether you're the buyer or seller, watch this tutorial to learn how to protect yourself.

This is a basic topic for many domain name investors, but if you're an entrepreneur buying a great domain name as your company brand and spending \$2,000, \$50,000 or \$50,000 -- or you're a domain name investor selling your first domain name, you may want to see how it's done before starting the transaction.

There are five main elements of any escrow transaction:

1. Agreement Between Buyer and Seller

After registering with an escrow company, both parties should agree to the terms of transaction which basically involves price, domain name, and any other included assets such as secondary names, trademarks or content.

2. Payment to Escrow Company

The buyer transfers the money to the escrow company using an approved payment method. Once the payment is confirmed, the company will notify the seller to transfer the domain name.

3. Domain Name Transfer

The escrow company will prompt the seller to work with the buyer to change the domain name ownership. Different procedures apply to different registrars. We'll go into a little bit of detail during this tutorial.

4. Confirmation of Domain Name Ownership by Buyer

Once the buyer confirms possession of the domain name, the escrow company will inspect whether WHOIS information reflects the buyer's profile.

5. Disbursement of the Payment to the Seller

After the escrow company does a full inspection fo the transaction, the seller receives the final payment and the transaction is complete.

For this tutorial, I'm going to use the escrow service called Escrow.com. Yes, they're a valued sponsor of the DomainSherpa show but they're also one of the most trusted escrow services in the world, everyone I know in the industry uses them, they're based in the United States, and I always find their

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staff to be available, knowledgeable and understandable when I email or call them.

If you want to see a full list of providers that support domain name escrow, type "escrow" into the DomainSherpa search box that you can find in the upper right-hand corner of this page, click on the first link entitled "How Does Domain Name Escrow Work?" and scroll down the page.

So the first thing you'll want to do is visit Escrow.com.

If you want to see how much an escrow service will cost, you can click the "Fee Calculator" link, enter in the sales price and look at both the standard and premier service fees. The standard fee pricing is charged if a buyer funds a transaction with a wire, check or money order. The Premier fee pricing is charged if the buyer funds the transaction with a credit card or PayPal.

Details about paying by different methods are detailed on that page, as well as required hold times that may apply to your transaction.

So, sign into your account. Or, create an account if you don't have one yet.

Your main dashboard is your "My Transactions" page. You can see that I do not have any open transactions at this time.

I want to start a transaction for the sale of a domain name, so I click the Start button.

As a side note, if you're using a domain name broker in the sale of your domain name, the process will start with you receiving an email from Escrow.com telling you an escrow has been created and you need to sign in to agree to the terms and continue the process.

Back to the process if you're selling your own domain name, the first step is to select the type of transaction. You can select domain name, general merchandise, motor vehicle or milestone transaction. You might want to use general merchandise for an antique or memorabilia, for instance, and if you're

paying a developer over time as work is completed, a milestone transaction would be appropriate.

Then select if you're the buyer or seller; either role can initiate the escrow transaction. Since I'm the seller, I'm leaving it as is. Note: if you're a broker, you would select Broker from the Your Role pull-down box.

When you press the continue button, you'll be asked for details of the transaction including the transaction title, email address of the buyer, who will pay the escrow fee, what else is included, if anything, and how long the buyer will have to inspect the domain name once it's in their possession.

When you press the continue button, you'll list the actual domain name. You may be wondering, what's the difference between the the Transaction Title and the Domain Name, and the answer is that it may be the same. In most of my transactions, it's the same. However, you may want to title the transaction something like "Repair Domains" and then on this page add more than one domain name to this transaction.

When you press the continue button, you'll review the terms of the escrow agreement and then press the Agree button if you're in agreement.

A couple of questions you may be thinking about:

1. Who pays the escrow fee? I think the buyer should as they're the one purchasing the domain name. You should make sure you're in agreement before initiating the transaction. I've often seen the escrow fee split, or included by the seller to help close a deal.
2. How long of an inspection period? I always go for the shortest duration just to keep the transaction moving, but if you know the buyer is traveling or may be delayed for another reason, then you might want to set it to a duration that's more reasonable -- such as 3 days.

After you press the Agree button, Escrow.com will ask you how you want to be paid. You can select ACH or Wire. ACH stands for Automated Clearing House and is cheaper, and only has a cost during the first transaction from Escrow.com. A wire is faster, but costs you both to send and likely to receive at your bank. You'll need to think about those options. I usually go with

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ACH, and once you have your bank details in Escrow.com you just click a button.

At this step, you're done for the time being. Escrow.com tells you it's the buyer's turn to sign in and agree to the terms. If you check your email, you'll likely see a confirmation from Escrow.com about the transaction as well as a confirmation of your settlement option.

I usually reach out to the buyer and confirm that they'll be receiving an email from Escrow.com soon, just so they know to keep an eye out for it. A confirmation email from the seller also helps move the process along.

When we come back from this short sponsor message, I'll walk you through the remainder of the process.

Quick break from three sponsors of today's show:

First, are you tired of being up-sold and cross-sold when you buy or renew a domain? Then try the newest registrar being built from the ground-up with a beautiful interface, competitive pricing and 24/7 support. Uniregistry.com will surprise and delight you. The right domain name can change your life: Uniregistry.com.

Second, need a broker who's eager to do whatever is required to sell your domain names regardless of price? Then you need to contact Houghton Richards. They specialize in exact match, keyword-rich, geo and new gTLD domain names, and they sell more than 1,000 a month. Visit HoughtonRichards.com and tell them the domain you want to sell today.

Finally, if you're buying a domain name from a private party and want to know what else they own, DomainIQ.com is the tool you should be using. View their entire portfolio, filter by Estibot value and be a better investor. \$49.95 for 250 queries per month. Visit DomainIQ.com/portfolio to learn more.

Welcome back.

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Once the buyer has agreed to the terms, Escrow.com will notify you by email to sign in and proceed with the transaction.

So head on over to Escrow.com, sign in, find the transaction on your dashboard, and click the link to view it.

On the top of the web page, Escrow.com will tell you exactly what you need to do. In this case, it's time to transfer the domain name because Escrow.com has received the payment from the buyer. You can also look in the right-hand column of the web page for the history of this transaction, from starting the transaction, to agreeing to terms, to buyer paying, Escrow.com receiving the funds, and approving it.

When you click the continue button, it will ask you if you want to provide a username/password to the buyer, the authorization code for the domain name, or push the domain between accounts at the current registrar. If the domain name is in an account that is being transferred, then that's the appropriate option. Most likely, though, you'll want to transfer a single domain name. The authorization code or "auth code" is the traditional transfer process, but within a registrar -- such as GoDaddy or Enom -- you can push a domain name from one account to another. A domain push is faster and easier, if that suits both buyer and seller.

If you go the traditional authorization code route, sign into your registrar and request your code. Sometimes a registrar will provide the auth code on screen. In GoDaddy's case, you click on the domain name, then scroll to the bottom of the page and request your authorization code be emailed to you.

I normally push the domain through GoDaddy but I need the buyer's account details to start the push, so I email the buyer asking for the email address and account number associated with their GoDaddy registrar account.

Once I get that information, I sign into my GoDaddy account, find the domain name that's being sold, check the box next to it, then go to the More dropdown, and select "Begin Account Change".

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GoDaddy will then ask me for the receiving party's email address and account number. The account number is optional but I always fill in as a precaution.

You'll then see a confirmation on screen that the domain is being pushed.

I'll usually then email the buyer to let them know the domain name is on the way, and give them specific instructions on how to accept the pushed domain. It doesn't just show up in their account, they have to approve the receipt of it.

There's a page on GoDaddy that walks a buyer through how to accept a domain name, so I link to it -- rather than list the steps in my email -- in case GoDaddy updates their user interface and their help documentation.

Once I've pushed the domain name at the registrar, as well as marked it as pushed in Escrow.com, I can see that there's nothing else for me to do now. Again, my history is updated in the right-hand column so I know where I am throughout the escrow process.

Escrow.com then sends me a confirmation email.

Once the buyer has confirmed that they're in possession of the domain name, they need to sign into Escrow.com and mark the domain name as received. When they do, you'll get an email confirmation.

When you sign into your Escrow.com account, your status will be updated. Payment will be disbursed as soon as the Escrow.com staff can formally review and close your transaction.

When they do that, you will receive an email confirmation with your closing statement. The funds should arrive within days.

If you have any questions about the escrow process, please post them in the comments below this video on DomainSherpa and I'll come back and answer them -- or find the answers for you.

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If there's a topic related to escrow that you would like a tutorial created for, please post that in the comments below as well.

Thanks for watching DomainSherpa.com. We'll see you next time.

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