



# TITLE ALERT!

**In order to avoid delay, examine the preliminary commitment to identify any potential problems prior to closing.**

## **TAXES AND ASSESSMENTS**

Be sure to look for an exemption or classification designation that would change the tax amount as a result of the sale or loan, and then disclose this to the buyer.

## **VESTING**

Check to make sure your seller is vested in the property. If they are not in title, look for a real estate contract as an exception. A fulfillment deed will be required to close.

## **DEED OF TRUST**

Deed of trust, which is paid off but not reconveyed, requires a reconveyance from the trustee or a court ordered satisfaction to remove it from the record. The title company may insure around these encumbrances in certain situations. Escrow will handle this prior to closing.

## **IDENTITY MATTERS**

Judgments and liens may be eliminated with an identity affidavit if they do not affect the party in question. If they do affect the party, but have been paid and not satisfied of record, a release may be recorded or filed to eliminate the matters from record. When working with clients that have common names, it is a good idea to get the affidavit completed and submitted to the title company in advance. Otherwise, escrow will have the parties complete the ID statement.

## **PENDING ACTION**

A civil action or lawsuit affecting real property will generally have to be dismissed or settled before title to the land can be insured. A pending divorce may need to be finalized for a sale or loan to close, however there may be special requirements. A probate may require special handling. Please check with your Columbia Title Officer for details.

## **JOINT USE MATTERS**

Driveways, party walls and access easements may require a joint maintenance agreement by the lender. The title report will show the agreement if one is recorded.

## **EXTENDED COVERAGE MATTERS**

A supplemental will be issued if these matters have been cleared by an inspection of the property. If the supplemental shows a question of encroachment, lien rights or other matters, these must be cleared before the lender will close. If an extended coverage owner's policy is requested, an ALTA/ACSM survey of the property maybe required.

## **LEGAL DESCRIPTION**

The legal description should always be compared to the legal description in the purchase and sale agreement to be sure all property being conveyed has been included and thereby covered in the preliminary commitment.

## **TRUST AGREEMENT**

Seller or buyer may be a Trust. Prior to closing, escrow will ask them for a copy.

## **BANKRUPT**

If a party is in bankruptcy, it will be require a court order to sell, purchase or mortgage.

## **RECORDED SURVEY EXCEPTION**

May disclose an encroachment.

