

TITLE COMMITMENTS FROM A TO D



OVERVIEW

Here's a basic overview of the four sections of the Commitment for Title Insurance. In general, a title commitment is a promise by the title company to insure the sale of the property and issue a title policy if conditions in the commitment are met.

Please contact your escrow officer with any questions about a particular title commitment or transaction.

SCHEDULE A

"A" is for "Actual Facts." This is where you will find the who, what, where and how much information. The most important information here will be the name of the person who holds the existing title, the legal description of the land and the name of the proposed insured (buyer), the sales price and the name of the lender. What we want to make sure of is that all of the information is accurate when it is compared to the sales contract.

SCHEDULE B

"B" is for "Buyer Notification." This is the section of the title commitment that address where other parties have any interest or control of the use of the property. Examples of this are utility easements and building setbacks. A utility easement is a common thing to find here. This would be a part of the land that a utility company has the right to use. A setback prevents the owner from building a certain distance from the front property line. Schedule B is also the area in which exceptions will be noted. Exceptions in this case are anything that will not be covered by title insurance.

SCHEDULE C

"C" is for "Clear to Close." These items must be resolved in order to transfer title to the new owner. This would include such things as a mortgage to be paid off, marital status, home improvement liens, unpaid taxes, or a requirement that another person - such as an heir or a former spouse - participate in the sale of the property.

SCHEDULE D

"D" is for "Disclosure." This last section outlines all parties who will collect any part of the insurance premium, including underwriters, title agents and attorneys.