



What to Look For

IN YOUR TITLE COMMITMENT

A title commitment is a document provided by a title insurance company that outlines the conditions under which they are willing to issue a title insurance policy for a particular property. It is an essential step in the real estate transaction process. **When reviewing a title commitment, here are some key things to look for:**

- 1. Property Information:** Ensure that the property details on the commitment, such as the legal description and address, match the property you are buying. **Carefully review the legal description of the property to ensure it accurately reflects the boundaries and any specific features of the land.*
- 2. Ownership:** Verify that the current owner's name matches the Seller's name on the purchase agreement. This confirms that the seller has the legal right to sell the property.
- 3. Liens and Encumbrances:** Review the list of any existing liens, encumbrances, or easements on the property. These could include mortgages, unpaid property taxes, or other claims against the property.
- 4. Title Defects:** Pay attention to any title defects or issues that *need to be resolved before closing*, such as outstanding judgments, unreleased mortgages, or boundary disputes.
- 5. Exceptions:** The title commitment will typically list exceptions to the title insurance policy. These are items that the title insurance company will not cover. Common exceptions may include, yet are not limited to known easements, covenants, conditions, and restrictions (CC&Rs), and certain government regulations.
- 6. Commitment Date:** Make sure the title commitment is current and has not expired. Title commitments are typically valid for a limited period.
- 7. Requirements:** Look for any specific requirements that you must meet to obtain or provide clear title. This may include paying off certain liens or addressing outstanding issues.
- 8. Title Insurance Premium:** Review the title insurance premium and understand the cost associated with obtaining title insurance for the property.
- 9. Preliminary Title Report:** Ordered at the time of listing, it's a very good idea for the *Listing Broker and Seller to review the preliminary report*. Then contact the assigned Title & Escrow Officer with any questions and to provide any additional documentation needed that may be advised before entering into contract.
- 10. Discrepancies:** If you notice any discrepancies or errors in the commitment, contact the title insurance company to address them.
- 11. Title Insurance Policy Type:** Understand the type of title insurance policy being offered (e.g., lender's policy, owner's policy) and what it covers.

Remember that the title commitment is a crucial document in the real estate transaction. It's essential to review it carefully and consult with professionals, such as the assigned title insurance agents or if necessary a real estate attorney, to ensure a smooth and secure property purchase.

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