

TITLE COMMITMENT

WHAT IS A TITLE COMMITMENT?

A Title Commitment is an offer by the Title Company to issue a specific form of Title Insurance Policy to a proposed insured identified in Schedule A. It is not an abstract of title, report of condition of title, legal opinion or other representation of the state or status of title.

Verify you have all Sections of the Title Commitment: Schedule A; Schedule B, Part I – Requirements; Schedule B, Part II – Exceptions. Each section plays a part in the Commitment and the agreement by the Title Company to issue its Policies.

HOW TO READ A TITLE COMMITMENT:

A

SCHEDULE A: ITS PARTS AND WHAT THEY MEAN:

- **COMMITMENT DATE:** This is the date the obligation of the Title Company to insure begins and is valid for 6 months from this date.
- **POLICY OR POLICIES TO BE ISSUED:** Sets forth the proposed policy or policies to be issued, the policy amount and the name(s) of the proposed insured.
- **ESTATE OR INTEREST:** Indicates the nature and extent of the owner's interest in the Land. The highest form of interest an owner can have in land is Fee or Fee Simple, and is the most common for a home owner. Understand the type and nature of ownership in the land if the interest shown is other than Fee.
- **VESTED OWNER'S NAME:** Reflects the record owner of the land. Owner shown should be the same as the seller on the Purchase Agreement or same as borrower on refinance transactions.
- **LEGAL DESCRIPTION:** Legally identifies the boundaries of a specific parcel of land by lot/block or metes and bounds, which is locatable on the ground and which separates it from any other parcel of land within the County and State in which the parcel is located.

B

SCHEDULE B, PART I – REQUIREMENTS:

- This section sets forth all the requirements which need to be satisfied for the Title Company to issue its specified policies of Title Insurance. Requirements may include items for payment which do, or may, attach to the property such as existing or unreleased loans, tax liens, notices of default, judgments or bankruptcies against owner, as well as requirements for recording pertinent documents to evidence ownership or interest in the land.
- The requirements section may also include informational statements regarding the Assessor's Tax Parcel Number (APN), the site or property address according to the County Assessor, current Vesting document and maps.

B

SCHEDULE B, PART II – EXCEPTIONS:

- This section sets forth the specific items that will be excluded from coverage on the final title policy(ies) when issued. These items burden the property and generally restrict your use of the land in some way. Be sure to understand the nature and scope of these exceptions as they relate to the use, or intended use, of the property. Since they are exceptions to coverage, a title policy will not protect your rights over these exceptions.

