

# How to Read a

# TITLE COMMITMENT

A Title Commitment is prepared prior to issuing a policy of title insurance, and it contains information that can affect the close of escrow. It provides the buyer with the opportunity to review matters affecting the property which may be excluded from coverage under the Title Insurance Policy, unless removed or eliminated prior to the purchase. The commitment lists exceptions and exclusions which are intended to provide notice of matters not covered under the terms of the Title Insurance Policy. However, the commitment is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting the title to the property; it is actually the Title Insurance Policy that will cover against such problems. A few things to look for:

## VESTED OWNER'S NAME

The names should be the same as shown on the Purchase Agreement, deposit receipt and application.

## TYPE OF ESTATE OR INTEREST

The statement of vesting indicates the degree, quantity, nature and extent of the owner's interest in the real property. The most common form is "fee simple" or "fee", which is the highest type of interest an owner can have in land.

## EASEMENTS

- Understand the type and location of all easements. You may wish to clear claims or restrictions on the property prior to purchase.
- Copies of the recorded easements are conveniently linked in the title commitment.

## LEGAL DESCRIPTION OF THE PROPERTY

- Geographically identifies a parcel of land by lot and block or metes and bounds.
- Includes Assessor's Parcel Number.

## MORTGAGES

Includes all existing loans against the property or the existence of any paid off loans which have not yet been released in the County records.

## COVENANTS, CONDITIONS & RESTRICTIONS

- Property restrictions and agreements may have been placed in a prior deed.
- Copies of recorded CC&Rs are conveniently linked in the title commitment.

## TAX LIENS, JUDGMENTS OR BANKRUPTCY

- Any claims by creditors who have liens affecting the seller and/or property that will be excluded from coverage.
- A bankruptcy will be reported if a copy of the petition has been filed in the relevant county.

## PRINTED LIST OF STANDARD EXCEPTIONS AND EXCLUSIONS

Standard items not covered by a policy of title insurance may be attached to the report.



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