

COMMITMENT FOR TITLE



Amanda Laganosky (Chandler)

The Commitment for Title Insurance reports the findings of an initial title search. It will contain the terms, conditions, and exclusions covered in the policy.

COMMITMENT:

SCHEDULE A reflects information provided to the Title Department as a result of the purchase contract and a preliminary search of the public records. Information such as the

legal description of the property, sales price, loan amount, lender, name, and marital status of Buyer and Seller is reflected.

SCHEDULE B is broken down into two sections. Requirements and Exceptions. **Requirements** are items that Yavapai Title Agency needs to eliminate from the title in order to provide a clear, unencumbered title to the Buyer. A few examples of items that must be cleared are:

- Payment of property taxes
- Assessments owed of record
- Any encumbrances (or liens) on the property

Often encumbrances show up because another individual has a name similar to one of the parties in the escrow. Yavapai Title Agency may ask for a Statement of Identification in order to determine whether items that show up are related to our parties and whether they can be removed.

Exceptions are items which run with the land. They are called "exceptions" because the Buyer will receive clear title *except* the Buyer's rights to use the property will be subject to the exceptions described in this section. Exceptions include Covenants, Conditions and Restrictions (CC&Rs), easements,

homeowner's association rules, mineral rights as reserved in patents, leasehold interests, and other items which will remain of record following transfer of the property.

NOTE:

Read Schedule B carefully, because it defines your use of the property. There may be restrictions that will cause you to reconsider your purchase (i.e. discovering the HOA has CC&R's and upon their review you find out farm animals are not sanctioned, so your family goat is not allowed.) If anything in this section concerns you, ask for clarification.

NOTE:

Be certain the information reflected in Schedule A is correct, because it will be reflected in all of your documents, including any lender documents.



Reviewing the COMMITMENT FOR TITLE

GENERAL POLICY COVERAGE:

Title insurance provides assurance you can access and use your land. Many of the protections title insurance provides have been listed in detail on page 6, however, they are worth briefly mentioning again. In summary, this coverage will minimize risk and protect you against:

- The possibility that someone else owns or has claim to your property
- Defects caused by fraud, forgery, or incompetence
- Defective recording of any document
- Unmarketability of title
- Lack of legal access to and from the property

ITEMS AND ISSUES NOT COVERED:

Some rights are not protected by your title insurance policy. Examples may include:

- Land trusts
- Life estates
- Air rights above the property
- Mineral, water right, and timber reservations
- Matters that a physical inspection would disclose

- Restrictive covenants that limit the use of the property to a single use
- Matters that an accurate survey would show: Easements, Rights-of-Way, etc.
- Set-Back requirements that designate where improvements must be located
- Rights of holders of liens such as judgments, tax liens, street improvement liens, etc.



Monument Valley, Arizona
Photograph by: LaSota