

California Real Estate **AGENT GUIDE**



EQUITY TITLE[®]
COMPANY

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Understanding Title Insurance Requirements for Insuring Living Trusts

Uninsured Deeds

Title Insurance. It's a term we hear and see frequently. We see it referenced in the Sunday real estate section, in advertisements and in conversations with real estate brokers. If you've purchased a home before, you're probably familiar with the benefits and procedures of title insurance. But if this is your first home, you may wonder, "*Why do I need another insurance policy? It's just one more bill to pay.*"

The answer is simple: The purchase of a home is most likely one of the most expensive and important purchases you will ever make. You, and your mortgage lender, want to make sure the property is indeed yours - lock, stock and barrel - and that no individual or government entity has any right, lien, claim, or encumbrance to your property.

Title insurance companies are in business to make sure your rights and interests to the property are clear, that transfer of title takes place efficiently and correctly, and that your interests as a homebuyer are protected to the maximum degree.

Title insurance companies provide services to buyers, sellers, real estate developers, builders, mortgage lenders, and others who have an interest in real estate transfer. Title companies routinely issue two types of policies - "*Owner's*," which covers you, the homebuyer, and "*Lender's*," which covers the bank, savings and loan or other lending institution over the life of the loan. Both are issued at the time of purchase for a modest, one-time premium.

Before issuing a policy, however, the title company performs an extensive search of relevant public records to determine if anyone other than you has an interest in the property. The search may be performed by title company personnel using either public records or more likely, information gathered, reorganized and indexed in the company's title "*plant*."

With such a thorough examination of records, any title problems usually can be found and cleared up prior to your purchase of the property. Once a title policy is issued, if for some reason any claim which is covered under your title policy is ever filed against your property, the title company will pay the legal fees involved in defense of your rights, as well as any covered loss arising from a valid claim. That protection, which is in effect as long as you or your heirs own the property, is yours for a one-time premium paid at the time of purchase.

The fact that title companies work to eliminate risks before they develop make title insurance decidedly different from other types of insurance you may have purchased. Most forms of insurance assume risks by providing financial protection through a pooling of risks for losses arising from an unforeseen event, say a fire, theft or accident. The purpose of title insurance, on the other hand, is to eliminate risks and prevent losses caused by defects in title that happened in the past. Risks are examined and mitigated before property changes hands.

This risk elimination has benefits to both you, the homebuyer, and the title company; it minimizes the chances adverse claims might be raised, and by so doing, reduces the number of claims that have to be defended or satisfied. This keeps costs down for the title company and your title premiums low.

Buying a home is a big step, emotionally and financially. With title insurance you are assured that any valid claim against your property will be borne by the title company, and that the odds of a claim being filed are slim indeed.

Isn't sleeping well at night knowing your home is yours reason enough for title insurance?

Why Two Title Policies are Required

TITLE INSURANCE FOR BUYERS & SELLERS

Nearly every sale of a residential property involves the purchase of two policies of title insurance, an Owner's Policy and a Lender's Policy.

For the Seller

The purchase of a home is one of the most expensive and important purchases most of us ever make. Your buyer will want to make sure that the property is indeed yours to sell and that there are no unknown liens, claims, or encumbrances held against the property. Your buyer chose your property for its features and amenities. Enhancing these amenities with an Owner's Policy of title insurance from Equity Title Company is just as important as the work you put into maintaining and improving your property.

According to real estate custom and practice the seller pays a one-time premium for the new buyer's Owner's Policy based on the sales price of the property. Equity Title searches the public records to identify and eliminate title risks. The new buyer's policy indemnifies the buyer against loss and provides a defense in the event of claims against the title according to the terms of the policy. For a one-time charge, the buyer's policy protects the buyer for as long as the buyer owns the property, and under enhanced Homeowner's Policy (HOP), forever.

You will feel confident that your buyer is receiving quality protection. You should also feel secure that your buyer will not return years later to make claims against you based on title risks which you knew nothing about at the time of sale.

Far into the future, the Equity Title Company's Insurance Policy will be one of the most enduring benefits of this transaction—for you and your buyer.

For the Buyer

For most of us, buying a home requires help with financing the purchase price. Your purchase loan is secured by the new home you are buying. Your lender will want to insure that the security for their loan is protected by title insurance and that you are the owner of record. The Lender's Policy of title insurance insures your lender and any purchasers of assigns of the loan, that its lien has priority over other liens not shown in the policy. Many lenders condition their loans upon the purchase of a Lender's Policy.

According to real estate custom and practice, you, as the buyer, will be responsible for paying the title insurance premium for the Lender's Policy on your home loan. Equity Title gives you a big break on the cost for this important coverage.

First, the premium is calculated on the loan amount, not the sales price of the property. Second, because the seller is providing you with an Owner's Policy, Equity Title can give you a concurrent rate which results in a significant discount on the Lender's Policy.

In the simplest terms, the Equity Title Company's Insurance Policy does say to you as the buyer "*you own it*" and puts the financial strength of the state's largest title insurance group behind you.

When a title company seeks to uncover matters affecting title to real property, what does it find? The answer is, “*Quite a bit.*” In order to address the “*quite a bit of information*” found, you are asked to complete a Statement of Information (SI) for the title company to use to distinguish the buyers and sellers of your real property from other similar names. To help you better understand this sensitive subject, the California Land Title Association (CLTA) has answered some of the questions most commonly asked about the Statement of Information.

What is a Statement of Information?

A Statement of Information is a form routinely requested from the buyer, seller and borrower in a transaction where title insurance is sought. The completed form provides the title company with information needed to adequately examine documents so as to disregard matters which do not affect the property to be insured, matters which actually apply to some other person.

What does a Statement of Information do?

Everyday documents affecting real property - liens, court decrees, bankruptcies - are recorded.

Whenever a title company uncovers a recorded document in which the name is the same or similar to that of the buyer, seller or borrower in a title transaction, the title company must ask, “*Does this document affect the parties we are insuring?*” Because, if it does, it affects title to the property and would, therefore, be listed as an exception from coverage under the title policy.

A properly completed Statement of Information will allow the title company to differentiate between parties with the same or similar names when searching documents recorded by name. This protects all parties involved and allows the title company to competently carry out its duties without unnecessary delay.

Will the information I supply be kept confidential?

The information you supply is confidential and for the title company's use in completing the search of records necessary before any policy of title insurance can be issued, and for the escrow company's use in completing your transaction.

What types of information are requested in a Statement of Information?

The information requested may include, but is not limited to full name(s); last four digits of your Social Security Number; driver's license number; year of birth; date of marriage if applicable; any previous marriage(s) if applicable; residence(s) for the past 10 years and place(s) of employment for the past 10 years.

What happens if a buyer, seller, or borrower fails to provide the requested Statement of Information?

At best, failure to provide the requested Statement of Information will hinder the search and examination capabilities of the title company, causing delay in the production of your title policy.

At worst, failure to provide the information requested could delay the close of escrow. Without a Statement of Information, it would be necessary for the title company to list as exceptions from coverage judgments, liens or other matters which may affect the property to be insured. Such exceptions would be unacceptable to most lenders, whose interest must also be insured.

How Does the Interim Binder Work?

In today's fast-paced business world, many investors buy properties with the thought of improving them and then quickly reselling them. A product developed by the title industry with this fact in mind is the "interim binder." This product can save an investor hundreds, if not thousands of dollars.

HERE'S HOW IT WORKS

| | | |
|----------------------|---|--|
| COST | = | 110% of Standard Owner's Policy |
| TIME PARAMETERS | = | Must resell within a two-year period or binder may be extended for two additional consecutive terms of 12 months each. The charge for each 12-month extension is 5% of the Standard Owner's Policy |
| SELLERS PAY | = | Normal fee |
| BUYERS/INVESTORS PAY | = | 10% of Standard Owner's Policy |

EXAMPLE

| | |
|---|----------------|
| Original price or liability \$1,000,000 - Standard Owner's Policy (paid by Seller) | \$2,201 |
| Buyer/Investor pays an additional 10% | <u>+ 221</u> |
| Total fees for Interim Binder | \$2,422 |
| Resale price within two years \$1,200,000 - Standard Owner's Policy | \$2,426 |
| Less the original rate on \$1,000,000 | <u>- 2,201</u> |
| Amount paid for Standard Owner's Policy minus Binder credit | \$225 |

If a Homeowner's Policy (HOP) is requested, add an additional 10%, **\$243**, for a total of **\$468**.

The total cost to the buyer/investor is **\$686**. By contrast, the rate the buyer/investor would normally pay for the HOP without utilizing the Interim Binder is **\$2,669**.

The example above is provided for information purposes only. Due to variables in liabilities, underwriters, and types of policies that may be issued, the pricing for your transaction may differ.

TOTAL SAVINGS: \$1,983 (\$2,669 less \$686)
(based on a two-year binder)

3 and 4-Year Interim Binder pricing available. Contact your Equity Title Representative for more information.

Note: Equity Title Company automatically issues the HOP for single family one-to-four unit properties. The HOP is the most current and comprehensive policy available by CLTA/ALTA for residential properties.

24 HOURS A DAY, 7 DAYS A WEEK

**MINI PROFILES
SALES INFORMATION
PLAT MAPS**

**Property Data
on Demand**

Property Data on Demand

Utilizing web-based technology, our desktop platform EquityPro 24/7, and our mobile app Equity ON-the-GO, we make property data accessible on the spot.

Web-based Desktop Platform

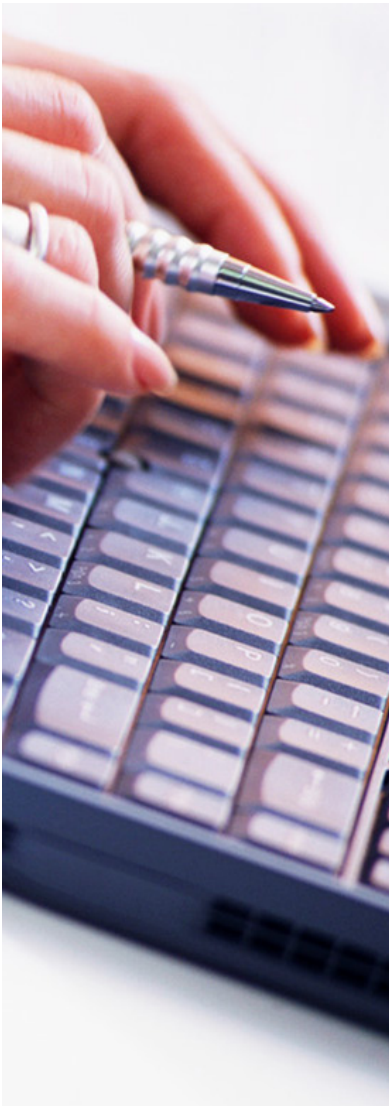


1. Go to EquityPro247.com OR EquityTitle.com
2. Enter User Account Number _____
3. Password is _____
(If using ETGC number, Password is not required for 1st-time Login)
4. Read and accept the terms and conditions
5. Complete user profile
(Enter your personal information and report settings, then click save)
6. You are now ready to start using online profiles
7. Click on Property Reports
8. If you want to change your Password or Personal Information:
 - Go to Property Reports on the Main Page
 - Click on Tools in the Menu Bar
 - Select Change Password or Preferences (for Personal Information)

Mobile App



1. Go to the App store
2. Download DATA ON-the-GO to your phone
3. Enter User Account Number and Password from above
4. Enter Mobile App/Security Code _____



Farm packages provide owner names and addresses for a particular geographic area using specific parameters to obtain desired information. Please contact your title representative, who will order the farms/labels for you. Turnaround time is typically 48 hours or less.

A. Your information can be sorted by:

- City
- Zip Codes
- Owner's Name
- Parcel Number – provide us with Assessor book number
- Walking Farm
- Tract Number
- Census Tract – these are permanent areas intended for statistical purposes. They are bounded by visible, physical features, natural or man-made.

B. Additional sort by property characteristics:

- Assessed Value, Number of Bedrooms and Baths
- Lot Size – square footage or acreage
- Percentage Improvements – ratio of improvement value as it relates to land value
- Improvements – pool, spa
- Square Feet
- Number of Units
- Use Code
- Year Built
- Zoning

C. Additional sort by sales price:

- Full Value – full transfer, quitclaim, partial transfer or trustees deed
- Owner Occupied or Absentee Owner
- Sales Date
- Sales Price

Label options:

- All Caps
- Addressee or “Current Resident” – this setting adds the owner's name and/or with current resident
- Any Salutation – the owner's name can be omitted and the field can be typed in with any salutation, such as “Future Homeowner,” “Why Rent?,” “Occupant,” or “Resident.”
- Standard Labels

Common options for requesting a farm package:

1. Delinquent Taxes

Search records for parcels that are delinquent in property taxes. Current tax year, delinquent tax year(s), and delinquent amount (based on most recent tax year) can be provided. Data is frequently updated from multiple sources to ensure data freshness.

2. Street Address Sequence

Tax rolls listed alphabetically by street name, followed by numbered streets. Each street listed alphabetically and numerically is sub-listed by address number, from lowest to highest. This is often called a “walking farm.”

3. Vacant Land by Value Sequence

Tax rolls listed numerically by Assessor's Parcel Number, but limited to parcels with a valid land value and no improvement value. Consider searching by use code when looking for vacant land.

4. Absentee Owner

Tax rolls listed numerically by Assessor's Parcel Number, consisting of residential properties with owners that have different mailing addresses than the residential addresses.

5. Conventional/Industrial by Alphabetical Sequence

Tax rolls listed alphabetically by owner's last name and consisting of all properties that are considered income properties (excluding residential [SFR] and vacant land). This farm is not sorted by use code.

6. Commercial/Industrial by Number Sequence

Tax rolls listed sequentially by its use code. This farm EXCLUDES single-family residences and mobile home parks.

7. Commercial/Industrial Use by Value Sequence

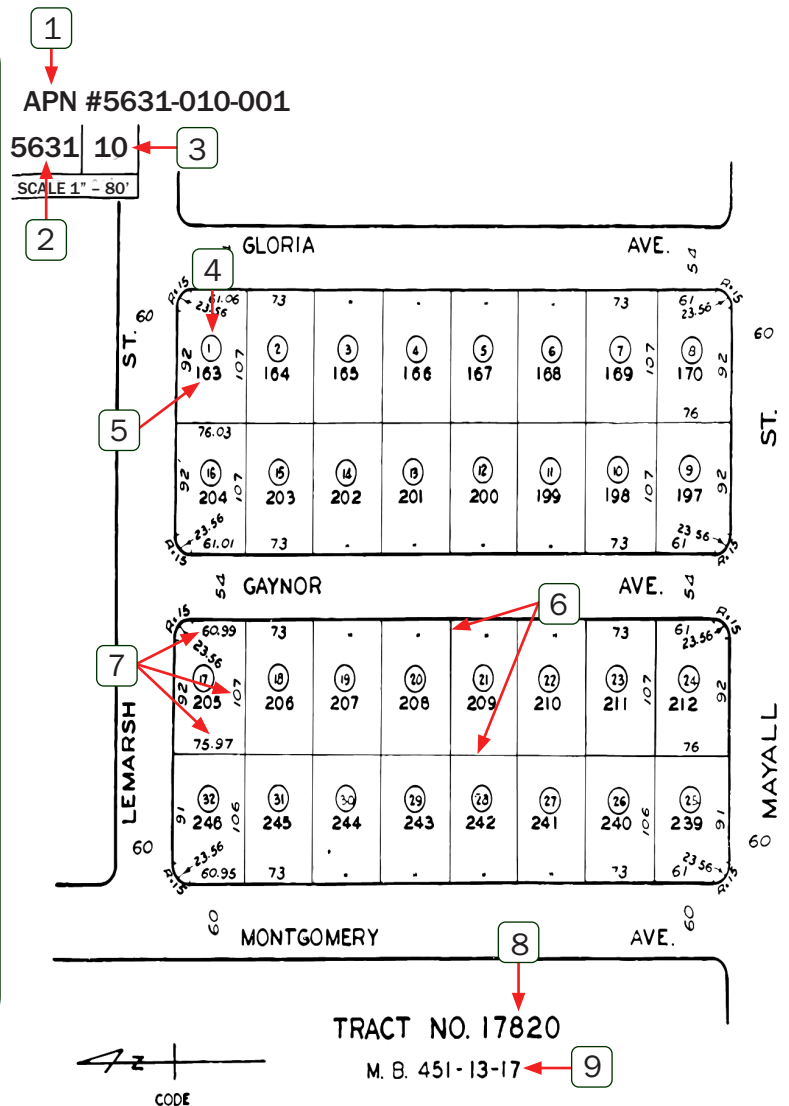
Tax rolls listed sequentially by use code, and numerically by value, from high to low within each use code. This consists of all properties EXCLUDING single-family residences and apartments.

8. Empty Nester Farm

Order an area with the criteria... only properties that were purchased 25 years ago or longer and have not had a full value transfer during that time.

This is an example of a Los Angeles County Assessor's Parcel/Plat Map along with brief descriptions as to what each item refers to on the map. County Assessor's Plat Maps at one time were actually filed in large books. While maps are now recorded and stored digitally, "book & page" references are still used for identification purposes.

- 1 **Assessor's Parcel Number (APN)** - The APN identifies the property.
- 2 **Book Number** - The APN begins with the Book Number.
- 3 **Page Number** - The Book Number in the APN is followed by the Page Number.
- 4 **Parcel Number** - The last three digits in the APN represent the "Parcel."
- 5 **Lot** - Typically a Parcel of subdivided land will be comprised of a "Lot" of a given "Tract."
- 6 **Lot Lines** - Lot Lines indicate the boundaries of the "Lot."
- 7 **Lot Dimensions** - Lot Dimensions can be used to provide an approximate area or square footage of the lot.
- 8 **Tract Number** - The Tract Number combined with the Lot Number creates the legal description and further identifies the property.
- 9 **Recorder's Map Book & Page of Tract** - Recorder's Map Book and Page of Tract represents the actual book and page the tract map or subdivision map is recorded.

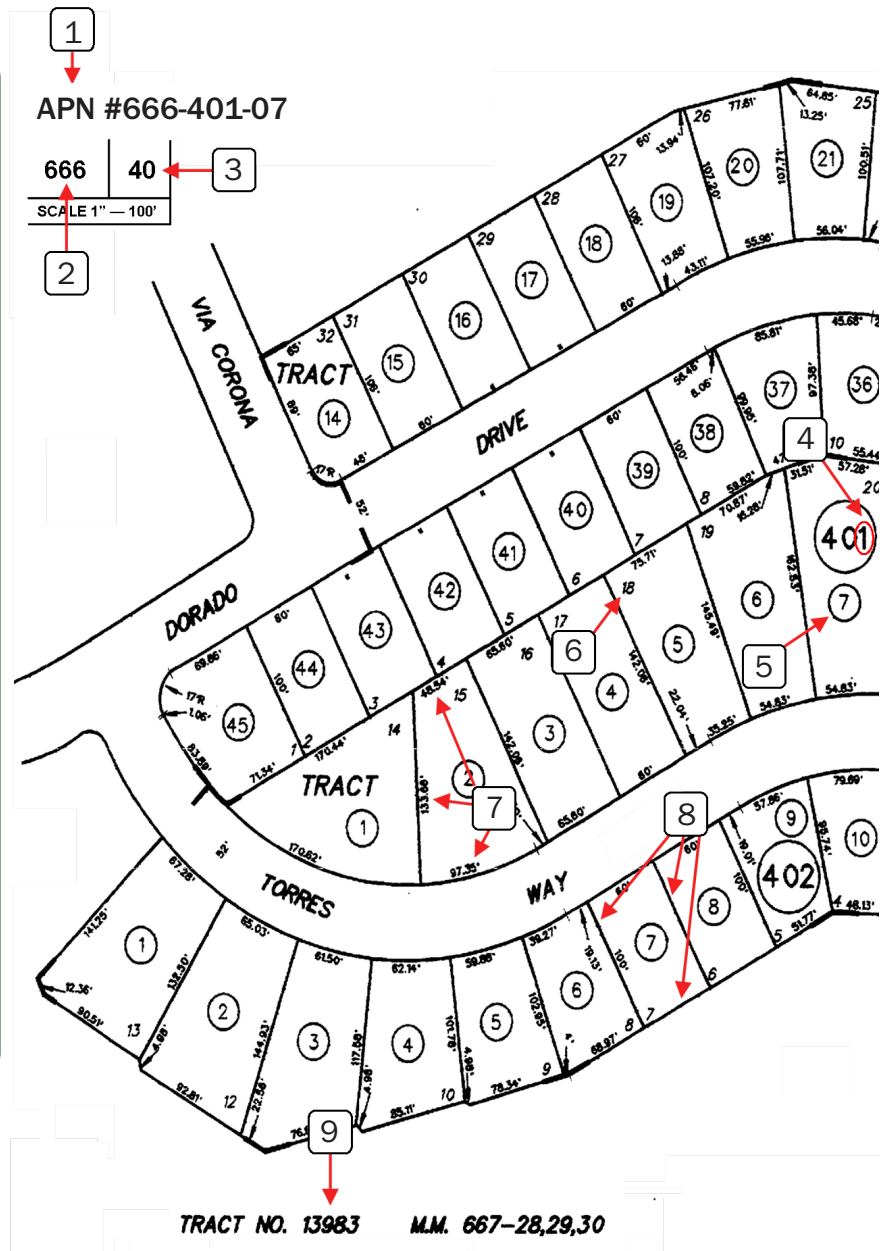


How to Read an Orange County Plat Map

COUNTY ASSESSOR'S PLAT MAPS

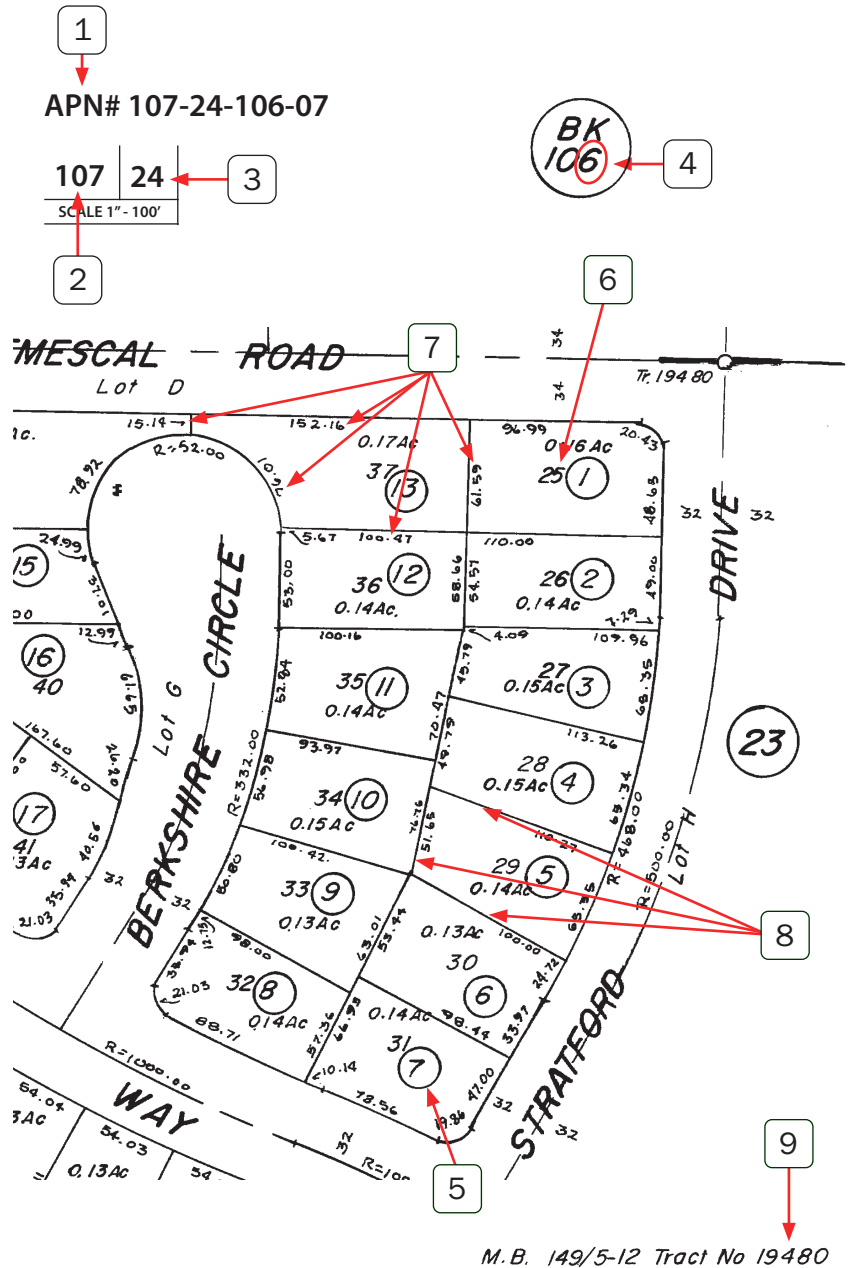
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This is an example of a Riverside County Assessor's Parcel/Plat Map along with brief descriptions as to what each item refers to on the map. County Assessor's Plat Maps at one time were actually filed in large books. While maps are now recorded and stored digitally, "book & page" references are still used for identification purposes.

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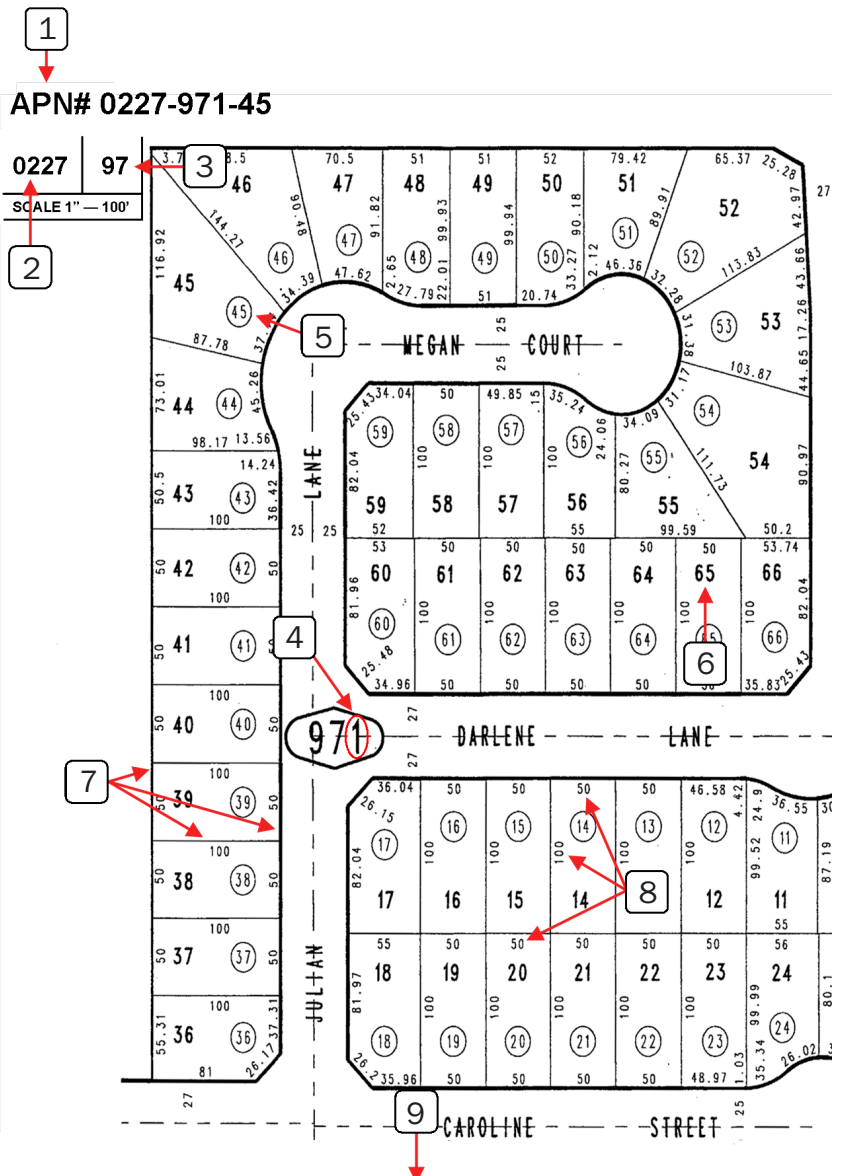


How to Read a San Bernardino County Plat Map

COUNTY ASSESSOR'S PLAT MAPS

This is an example of a San Bernardino County Assessor's Parcel/Plat Map along with brief descriptions as to what each item refers to on the map. County Assessor's Plat Maps at one time were actually filed in large books. While maps are now recorded and stored digitally, "book & page" references are still used for identification purposes.

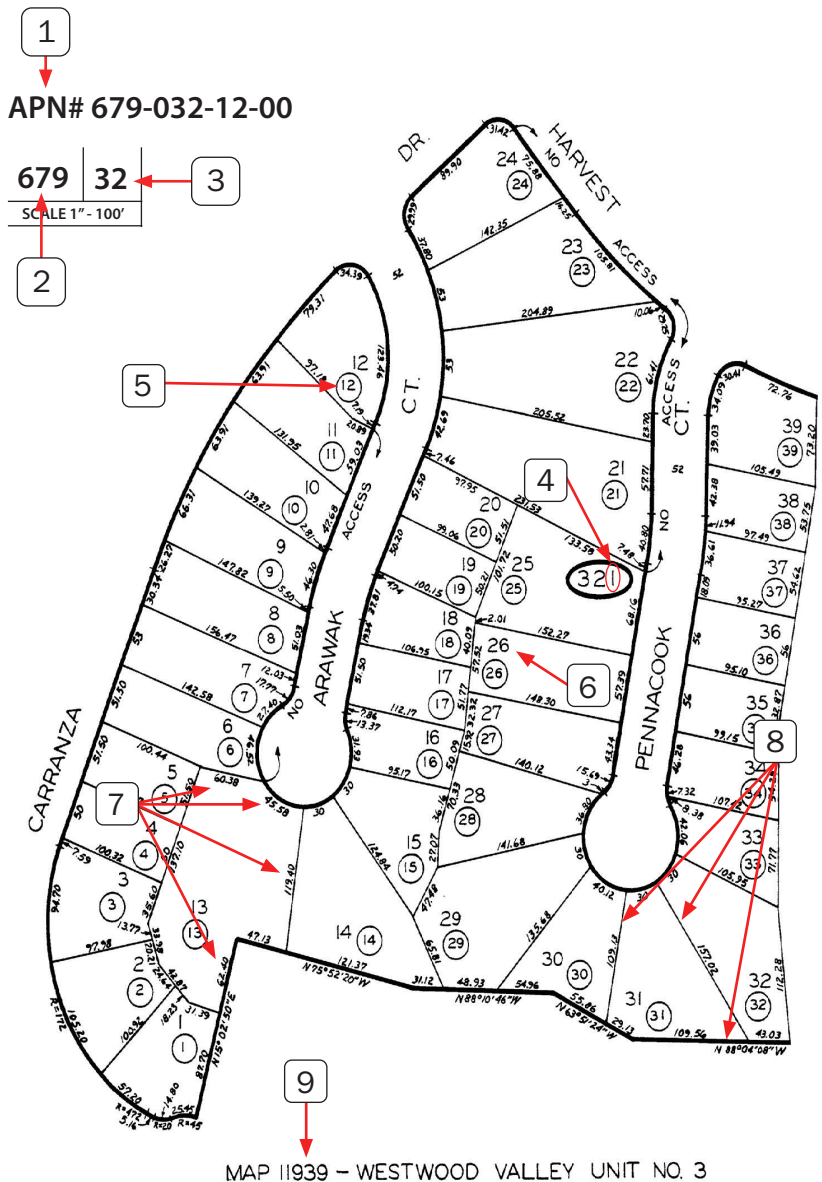
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Tract No. 16158-2, M.B. 286/1-4

This is an example of a San Diego County Assessor's Parcel/Plat Map along with brief descriptions as to what each item refers to on the map. County Assessor's Plat Maps at one time were actually filed in large books. While maps are now recorded and stored digitally, "book & page" references are still used for identification purposes.

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- 7 **Lot Dimensions** - Lot Dimensions can be used to provide an approximate area or square footage of the lot.
- 8 **Lot Lines** - Lot Lines indicate the boundaries of the "Lot."
- 9 **Map Number** - The Map Number refers to the subdivision map and the name of the subdivision.

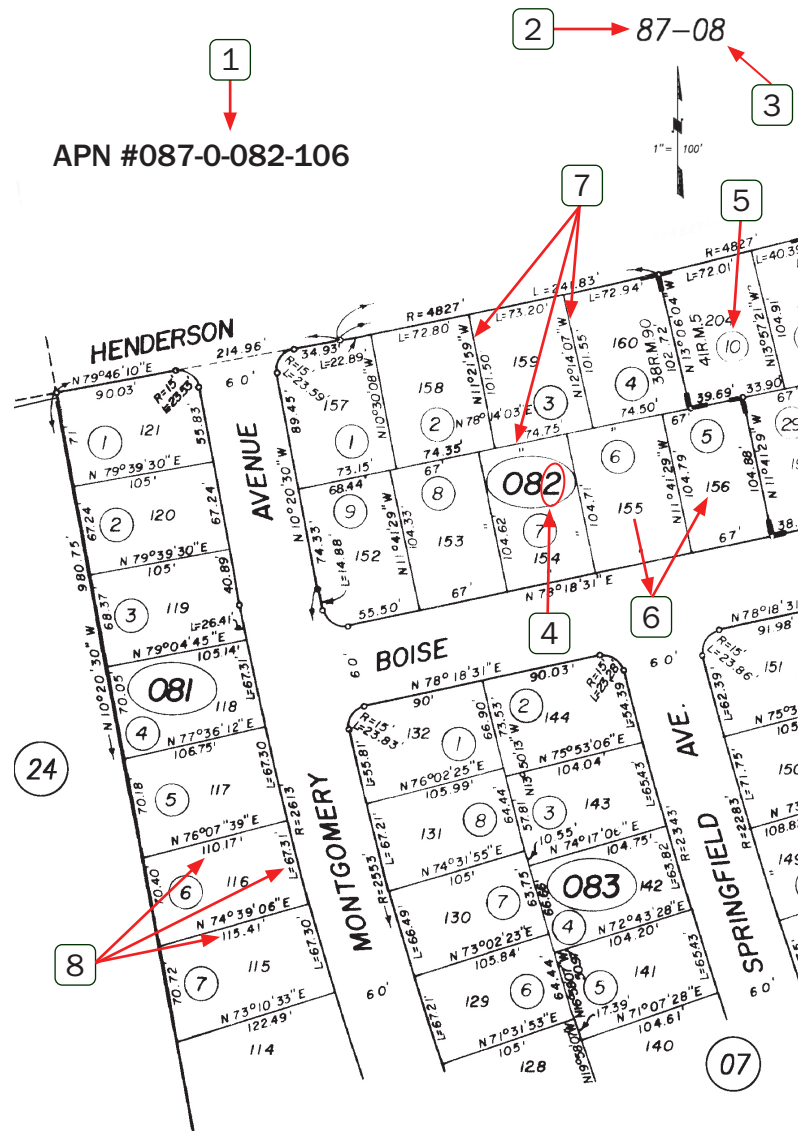


How to Read a Ventura County Plat Map

COUNTY ASSESSOR'S PLAT MAPS

This is an example of a Ventura County Assessor's Parcel/Plat Map along with brief descriptions as to what each item refers to on the map. County Assessor's Plat Maps at one time were actually filed in large books. While maps are now recorded and stored digitally, "book & page" references are still used for identification purposes.

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APN #087-0-082-106

Portion Tract 1429-4, M.R. Bk.41, Pg.5
 Portion Tract 1429-3, M.R. Bk.38, Pg.90

Remember playing Monopoly as a kid, where amassing deeds to property—those little color-coded cards—was all important? Real life deeds aren't nearly so colorful, but they're still extremely important. At Equity Title Company, one of our jobs is to verify and insure ownership as set forth in the deeds on record. Below are some questions commonly asked about deeds.

What is a deed?

A deed is the document that transfers ownership of real estate. It contains the names of the old and new owners and a legal description of the property, and is signed by the person transferring the property.

Do I need a deed to transfer property?

Almost always. You can't transfer real estate without having something in writing. In some situations, a document other than a deed is used—for example, in a divorce, a court order may transfer real estate from the couple to just one of them.

I'm confused by all of the different kinds of deeds.

What is the difference?

What's most important is the substance of the deed, the description of the property being transferred, and the names of the old and new owners. Here's a brief rundown of the most common types of deeds:

What is a Quitclaim Deed?

Transfers whatever ownership interest you have in the property. It makes no guarantees about the extent of your interest. Quitclaim Deeds are commonly used by divorcing couples; one spouse signs all his/her rights in the couple's real estate over to the other. This can be especially useful if it isn't clear how much of an interest, if any, one spouse has in property that's held in another spouse's name. Quitclaim Deeds are also used to cure technical defects in a title and to eliminate any potential claims against the property from persons with an uncertain or potential interest in the property.

What is a Grant Deed?

Transfers your ownership and implies certain promises—that the title hasn't already been transferred to someone else or been encumbered, except as set out in the deed. This is the most commonly used kind of deed in most states.

What is a Warranty Deed?

Transfers your ownership and explicitly promises the buyer that you have good title to the property. It may make other promises as well, to address particular problems with the transaction.



Does a deed have to be notarized?

Yes. The person who signs the deed (the person who is transferring the property) should take the deed to a notary public, who will sign and stamp it. The notarization means that a notary public has verified that the signature on the deed is genuine. The signature must be notarized before the deed will be accepted for recording.

After a deed is signed and notarized, do I have to put it on file anywhere?

Yes. You should “*record*” (file) the deed in the land records office in the county where the property is located. This office goes by different names in different states; it’s usually called the County Recorder’s Office, Land Registry Office, or Register of Deeds. In most counties, you’ll find it in the courthouse.

In order to protect yourself from future claims on the title, you should record the deed. This should be done simultaneously with the closing or as soon after the close of escrow as possible. Recording the deed at closing protects you from any other party stepping forward and recording a document, such as a judgment, in its place. The seller could technically record another deed if yours has not been recorded.

The deed becomes part of the property’s chain of title. If anyone were to look up your property, your name would show up as the official owner. You want to be sure that your name and address is correct on the deed, as your real estate tax bills will be sent to the name and address listed at the recorder’s office. If the address or your name was incorrectly listed, you could possibly never receive the property tax bills or any notices.

Recording a deed is simple. Just take the signed, original deed to the land records office. The clerk will take the deed, stamp it with the date and some numbers, make a copy and give the original back to you. The numbers are usually book and page numbers, which show where the deed will be found in the county’s filing system. There will be a small fee, probably about \$5 a page, for recording.

What is a Trust Deed?

A Trust Deed (also called a Deed of Trust) isn’t like the other types of deeds; it’s not used to transfer property. It’s really just a version of a mortgage, commonly used in some states (California, for example).

A Trust Deed transfers title to land to a “*trustee*,” usually a trust or title company, which holds the land as security for a loan. When the loan is paid off, title is transferred to the borrower. The trustee has no powers unless the borrower defaults on the loan; then the trustee can sell the property and pay the lender back from the proceeds, without first going to court.

Material drawn from multiple articles at RealtyTimes.com

Equity Title is in the business of protection. An element of that protection process is to verify that the conveyance of title is “*in fact*” done by the persons who have the authority to make that conveyance (based on documents of record).

A Power of Attorney is a document in which you state that you give someone else the authority to make certain decisions on your behalf.

Here are 8 helpful facts you should know:

1. If a new loan is being obtained:

- A. You should contact borrower’s/buyer’s lender to see if they will allow the use of a Power of Attorney to execute their loan documents, and determine the type of Power of Attorney i.e. general, specific, etc., they may require.
- B. Make sure that the principal’s and attorney-in-fact’s names are consistent with loan documents and escrow instructions, as well as how the principal holds the record title.

2. If a sale is involved:

Make sure that the principal’s name is consistent with the way he/she holds the record title and that the attorney-in-fact executes the conveyance document consistent with his/her name shown on the Power of Attorney.

3. A Power of Attorney must be notarized and recorded in the County Recorder’s office in which the subject property is located.

4. Although there are no statutes of limitation governing the term of Power of Attorney, the Power of Attorney itself may impose a deadline for its use.

Note A: All Powers of Attorney expire on the date of death of the principal.

Note B: Please consult your legal or estate planning professional when contemplating use of a California durable statutory Power of Attorney.

Note C: A Power of Attorney that is already of record or is more than 12 months old, may require a title company to call for a recordable “*Affidavit confirming authority under Power of Attorney*” (California Probate Code Section 4305) to be recorded at the close of a sale or loan transaction.

5. Depending on whether the transaction involves a sale or refinance, the key words that a title company or lender may look for in the section that specifies the attorney-in-fact’s power are: to “convey,” “mortgage,” “encumber,” “executed deed,” and “execute deed of trust.”

6. The person signing for the principal is called an “attorney-in-fact.”

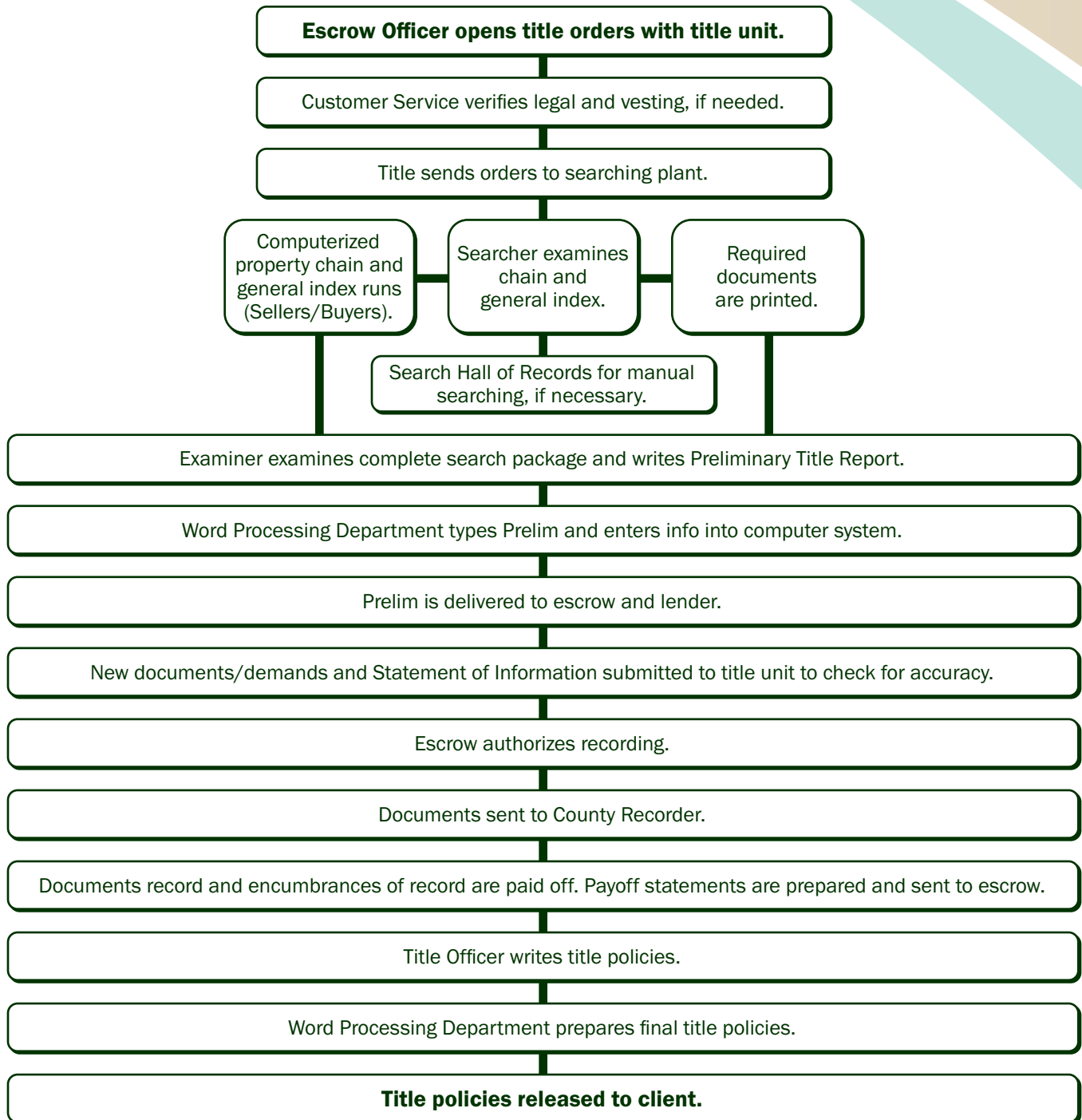
7. Be sure the attorney-in-fact executes the document consistent with the requirements of a County Recorder as follows:

Example: John Doe by Jane Doe his attorney-in-fact (Must be in the attorney-in-fact’s own handwriting)

8. A title company will not insure an attorney-in-fact conveying the principal’s property to himself/herself.

Typical Life of a Title Search

THE PROCESS



In addition to insuring the title for your home, Equity Title Company is responsible for other functions important to the closing of your transaction. Each real estate transaction, however, is very complex and involves many different steps and processes.

In the traditional real estate transaction, whether it is a sale or refinanced property, the escrow company becomes the repository for all documents, agreements and funds. The escrow company also directs the transaction, pursuant to instructions from the parties to the transaction, buyer, seller, lender, etc.

The title company takes their instructions from the escrow company only. The escrow company opens the initial title order, receives the Preliminary Title Report and advises the title company as to what items on the report are acceptable to the parties and what items are to be removed. The title company will then advise the escrow company as to what items it needs or what steps might be taken to remove the objectionable items.

When all objectionable matters have been cleared from the title report, and all other contingencies in the transaction have been met, the escrow company may contact the lender and request funding. Sometimes the lender takes on this task and notifies the escrow company of funding. In any case, the funds are then transmitted to the title company, normally via wire transfer and are received by the title company's bank. At the time the funds are transferred, the escrow may authorize recordation with the title company.

Once the escrow company has called to "set-up" the recording, the title company confirms receipt of all documents, funds and the Statement of Information and transmits the documents to the County Recorder for recordation. At the same time, the title unit forwards all demands, title fees, and taxes due to the title company's Sub-Escrow Department. Upon confirmation of recording, the Sub-Escrow Department pays off the demands and taxes and collects the title fees from the proceeds, forwarding the remainder to the escrow company.

Hopefully this information will help you to understand the complexity of real estate transactions prior to and post closing and explain why you may sometimes encounter items or issues requiring your attention after your transaction funds.

A Few Important Things to Remember:

1. **Review your funding requirements** as early as possible. This will allow both the title and escrow companies to aid in clearing some of those "last minute" issues.
2. **The Statement of Information MUST** be sent to your title company **BEFORE** funding of the loan. The sooner your title officer gets this information, the less likely you are to have a funding day "disaster."
3. **If your transaction involves a "credit line" Deed of Trust**, review the lender's requirements for the payoff. Most often, this type of payoff will involve a letter that must be obtained by you instructing the lender to close the account. Lenders will not "freeze" these accounts without receiving this letter and title companies cannot pay off accounts that are not "frozen." (Unfrozen accounts can still be accessed by the borrower.)
4. **Post funding matters** can be resolved by contacting your title or escrow officer. When working with knowledgeable, experienced professionals, like those at Equity Title, most problems can be quickly resolved.

Understanding Title Insurance Requirements for Insuring Living Trusts

In today's world of busy probate courts and a desire for privacy, the living trust has become a common manner of holding title to real property. The following may help you understand a few of the requirements of the title insurance industry if title to the property is conveyed to the trustee of a living trust.

What is a trust?

An agreement between a trustor and trustee for the trustee to hold title to and administer designated assets of the trustor for the use and benefit of one or more beneficiaries.

Can a trust itself acquire and convey interests in real property?

No. The living trust is an arrangement between a trustee and a trustor. Only the trustee, on behalf of the trust, may own and convey any interest in real property. The trustee may only exercise the powers granted in the trust.

What will the title company require if a trustee holds the title to the property which is part of the trust?

A certification of trust containing the following information:

- date of execution of the trust instrument,
- identity of the trustor and trustee,
- powers of the trustee,
- identity of person with power to revoke trust, if any,
- signature authority of the trustees,
- manner in which title to the trust assets should be taken,
- legal description of any interest in the property held by the trust, and
- a statement that the trust has not been revoked, modified, or amended in any manner which would cause the certification to be incorrect and that the certification is being signed by all currently acting trustees of the trust.

If there is more than one trustee, can just one join?

Maybe. The trust must specifically provide for less than all to sign.

Can the trustee give someone a Power of Attorney?

Only if the trust specifically provides for the appointment of an attorney-in-fact.

What will the title company require if all the trustees have died or are unwilling to act?

If the trustor is not able to do so, or the trust provisions prohibit the trustor from appointing a new trustee, the court may do so.

Who can be trustee?

Any individual not under a legal disability or a corporation that has qualified to do a trust business in the state of California.

How does a notary acknowledge the signature of the trustee?

Title is vested in the trustee. Hence, if the trustee is an individual or a corporation, then the new general form of acknowledgment will be prepared to reflect the intrinsic nature of the trustee.

How would the deed to the trustee ordinarily be worded to transfer title to the trustee?

"John Doe and Mary Doe, as trustees of the Doe family trust, under declaration of trust dated January 1, 1992."

Are there any limitations on what a trustee may do?

Yes, the trustee is limited principally and most importantly by the provisions of the trust and, thus, may only act within the terms of the trust. The Probate Code contains general powers which, unless limited by the trust agreement, are sufficient for title insurers to rely on for sale, conveyance, and refinance purposes.

The following items may indicate that there is an uninsured deed on your property:

- Look for the accommodation stamp
- No title company or title company title order number
- No escrow number showing on the document
- No document stamp showing under the fee section
- A handwritten document
- Time recorded is not 8:00 a.m. in the morning

What is an uninsured deed?

Most common problems from Uninsured Deed's come from Quitclaim Deeds between family members, especially husband and wife. When a person is added to title, it is a window of opportunity for matters against him/her to attach to the property.

Why should it be of concern?

- Is it a divorce situation?
- Was it signed in distress?
- Possible bankruptcy?

If you have any questions when you review your deed, please feel free to give Equity Title a call to assist you.



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