



HOW TO READ A TITLE COMMITMENT

First, what is a title commitment?

It is the title agent's commitment to issue a title policy after the sale has taken place and certain conditions are met. It details the parties involved, the property being conveyed, requirements to obtain a title policy and the exceptions to the pending title policy that will not be insured.

Cover Page:

Shows who received a copy of the commitment.

Schedule A:

Outlines the basics of the transaction. Check to make sure that the address, purchase price, and names of buyers and sellers match the purchase contract. The sellers' names will match the vesting deed (how the sellers took title). The buyers' names should match the contract. If there is a discrepancy, a deceased party, or a name change, please reach out to your Escrow Officer.

Requirements - Schedule B Section 1:

Lists the necessary requirements that must be met prior to a policy being issued. 8z Title takes the lead ensuring that these requirements are met. 8z Title will reach out to the seller and request that a "Seller Information and Authorization" form be completed. This provides the information necessary to satisfy the majority of the requirements such as: payoff statements for mortgages (Release of Deed of Trust), HOA information to obtain a status letter, water company info, special metro districts, etc. Other common requirements include: payment of all taxes due, deed signed at closing, Deed of Trust if buyer is purchasing with a loan. Other requirements may require more work to satisfy: judgments against either buyer or seller, tax liens for delinquent taxes, unreleased Deed of Trust from prior owners, Death Certificate for deceased seller, survey or improvement location certificate. There are additional requirements for Estates, Trusts, and LLC's.

Exceptions - Schedule B Section 2:

Most often, these are restrictions to the use of the property that the buyer cannot do anything about; they follow the property. Items 1-4 are standard exceptions and will be removed from the list of exceptions (will be insured) if Owner's Extended Coverage was requested per the contract. The Owner's Title insurance policy will not cover any financial liability due to encroachments upon any rights of way or easements as shown on the recorded plat map of the subdivision; nor will it cover unpaid taxes and assessments incurred after closing. Also, the policy will not cover and financial liability due to lack of adherence to the CCR's (Covenants, Conditions and Restrictions) pertaining to an HOA. Minerals rights and water rights are not covered by title policies. ALTA Commitment Form, Conditions, Privacy Policy, Statutory Disclosures – All are standard documents that accompany all title commitments in Colorado.

Legal Description – Schedule C:

The legal description of the property being insured. Verify that all parcels being sold are included. This may include a neighboring vacant lot, deeded parking space, etc.

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For questions about your title commitment, please contact your 8z Title Escrow Officer