

Understanding of a Preliminary Report

1. Estates

The word 'estate' is used to express the degree, a fee quantity, nature, duration, or extent of an interest in land. A 'fee' is the highest type of estate or interest an owner can have in land, freely transferable, inheritable and whose owner is entitled to possession. (There are a number of other estates or interests in land that we can insure.)

2. Vesting

It is the ownership or title to an estate.

3. Legal Description

The description of the land covered by the preliminary report.

4. Exceptions

Matters which are excepted from the property conveyed, such as oil and gas rights, or easements for specified purposes.

5. Taxes

The amount and status of past unpaid real estate taxes, if any, and current year's taxes, paid or unpaid, or taxes which are a lien but not yet payable.

6. Bonds

Bonds or assessments, if any, levied at the inception of construction of improvements such as streets, gutters, sidewalks, etc.

7. CC&Rs

Covenants, conditions and restrictions are limitations sometimes put on the use and enjoyment of real property, such as limiting the property to a single family or to a one story dwelling.

8. Easements

An easement is a right of use in favor of others in the land for specific purposes such as public utilities, roads, or ingress and egress.



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Understanding of a Preliminary Report (cont.)

9. Deed of trust

A deed of trust conveys title to particular land to a neutral third party (trustee) with limited powers (such as power of sale) for the purpose of securing a loan (debt).

10. Assignment

An assignment of the beneficial interest under the deed of trust from one beneficiary to another.

11. Trustor

The borrower, owner and grantor of the property conveyed in a deed of trust.

12. Beneficiary

The lender on a deed of trust is referred to as the beneficiary.

13. Trustee

Is a neutral third party in the deed of trust with limited powers. When the loan is paid in full the property is reconveyed by the trustee back to the person or persons legally entitled to the land, or, if delinquent, the property will be conveyed, pursuant to non-judicial foreclosure proceedings, to the highest bidder in a public sale.

14. Abstract of Judgment

Imposes a lien on all real property owned or subsequently acquired by the debtor until satisfaction or expiration of the lien.

15. Statement of Information

This information statement is confidential and is used to enable the title company to eliminate title problems which may arise through similarity of the name of seller or buyer with the name of another person against whom there may be judgments, tax liens, or other matters affecting property ownership.



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