

DEEDS

EXPLANATION OF TYPES OF DEEDS

GRANT DEED

An official document that is used to transfer a property's ownership. A grant deed is the most common type of deed used to transfer property from a seller to a buyer. Grant deeds are used both for mortgaged and non-mortgaged properties. Upon closing of the property's purchase / sale, the title company records the grant deed at the county recorder's office and the county sends the buyer the recorded original in the mail. In order to use the grant deed, the property must be clear of any claims.

DEED OF TRUST

A document that gives a lender the right to sell your property if you cannot repay your loan. A deed of trust is similar to a mortgage contract except that a deed of trust involves a third party called a trustee, usually a title insurance company, who acts on behalf of the lender. When you sign a deed of trust, you are in effect giving the trustee title (ownership) of the property, but holding on to the right to use it and live in it. The lender or trustee holds the original deed of trust until you repay the loan on your home. Unlike a mortgage, a deed of trust also gives the lender the right to foreclose on your property without taking you to court first.

QUITCLAIM DEED

A document that can be used to both transfer ownership of property and to release a person's claim on a property. Out of all the deeds used to exchange ownership of a home, quitclaim deeds are used the least since they do not give buyers a firm assurance that the seller is the home's legal owner. Quitclaim deeds are usually used to clear up a variety of simple ownership (title) issues. For example, Mr. and Mrs. Jones by a home together, but 10 years later, Mrs. Jones wants to separate and wants nothing to do with the property. She simply signs a quitclaim deed to release her claim on the property.

GENERAL WARRANTY DEED

A "general" warranty deed is a promise by a seller that he or she owns the property being sold, that the title is good, marketable, and insurable, and that there are no liens on the property except as agreed.
