



Question...We are selling our home and have been told that a Warranty Deed from ourselves to the buyers will be needed to transfer ownership. Is that something we prepare and what does it entail?

Carole Bullion

A deed is the document used to transfer title to real property. Unlike a car title (a piece of paper) real property title is a bundle of rights. The deed includes the names of the current owners and the new owners, and it also includes a description of the property. The seller's signature on the deed indicates his intent to transfer title to the buyer and should list any restrictions that may affect ownership rights.

The deed can be prepared by the Seller, the Listing Broker or a licensed attorney. All real estate deeds must be in writing. The deed must contain a formal legal description of the real property, which contains a granting clause and evidence of consideration. The granting clause includes wording that demonstrates the seller's intent to transfer the title to the buyer. The consideration is the amount of the purchase price or some other value given by the buyer.

Execution and delivery are required in order for the deed to properly convey title. The owner(s) must sign the deed in front of a notary and the buyer must accept the deed. It is then sent to the register of deeds in the county that the property is located to put the public on notice as to who the new owner is. This is to provide constructive notice to anyone who claims title to the property in the future and to anyone who records subsequent real estate documents, such as mortgage liens or lease agreements. Recording also protects the buyer's ownership interest in the property, if the seller attempts to transfer title to another buyer.

It is important to know that errors in the preparation of the deed can have severe consequences. If you are selling your property, and your name appears as the drafter or preparer, etc. please make sure that the deed is correct. If you are buying property, please make sure to ask your real estate agent or attorney the different ways to hold title so that you can decide which way best fits your needs. This language can also have severe consequences for you or your loved ones. And as with any legal document – please review before you sign!

For additional information on this subject or to ask a title question, please contact me at 810-225-9597 or cbullion@libertytitle.com.

LIBERTY TITLE



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