

Defining The Title Commitment

The title commitment is a commitment to issue title insurance. It is broken down into four parts or schedules. They are Schedules, A, B, C & D.

Schedule A - "A" is for "Actual Facts."

This is where you will find the who, what, where and how much information. The most important information here will be the name of the person who holds the existing title, the legal description of the land and the name of the proposed insured (buyer), the sales price and the name of the lender. All parties and the title company should make sure all of the information is accurate when it is compared to the sales contract.

Schedule B - "B" is for "Buyer Notification."

This is the section of the title commitment that addresses where other parties have any interest or control of the use of the property. Examples of this are utility easements and building setbacks. A utility easement is a common thing to find here. This would be a part of the land that a utility company has the right to use. A setback prevents the owner from building a certain distance from a property line. Schedule B is also the area in which exceptions will be noted. Exceptions in this case are anything that will not be covered by title insurance.

Schedule C - "C" is for "Clear to Close."

This is the area in which any issues must be resolved before the buyer can close on the property. Common issues here are an existing mortgage that needs to be paid off, a marital status issue, unpaid taxes and liens on the property.

Schedule D - "D" is for "Disclosure."

This final section outlines all parties who will collect any part of the insurance premium including underwriters, title agents and attorneys. It will also show the amounts being paid for the owner's title insurance policy, the mortgage policy's amount and any endorsements.