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A deed is a lawful instrument that grants or loans a right. In real estate, it's a legal document that transfers possession from one party to another. It is also involved once the property is paid with a mortgage. Without this file authorized by the prior owners, there is no transfer of ownership of the real estate. Of course, the authenticity of the signatures is critical so a notary is definitely required to confirm the credibility.

The record also describes the home in question. In most cases, there are referrals to government maps to make certain there's no ambiguity at all regarding what real estate is being transferred from one owner to another.

Title Insurance

One of the problems that can happen with a deed is whenever there are difficulties with respect to ownership. Most properties have easements that permit the local utility to put their lines into the property. This is generally not a problem at all. However, when there is a dispute due to another deed, it can cause plenty of problems with respect to real estate dealings.

Mortgage lenders will almost always require the acquisition of title insurance. When there is an issue with the title and ownership of a property, the title insurance provider will be liable for any expenses up to the total amount of the mortgage. The insurance company doesn't want to lose cash on the deal, so they will clear up any issues prior to closing.

Mortgages in California

In California, mortgages are guaranteed by a deed that is held by the title insurance company. The way in which this works is not hard. Until the loan is totally paid off, the deed will be held in escrow as part of a trust by a trust or Title Company until the home loan has been paid off.

If the mortgage is paid off via foreclosure, the title company will allow the lender to sell the property in a foreclosure and remit the remaining balance of the mortgage to the lender. If the mortgage has been paid off, the title company will extinguish its hold on the property and exchange title to the debtor, who is now the owner of the residence.

Quitclaim

The quitclaim deed is not really a deed. It is a legal process to disclaim a person's curiosity about a house. The use of a quitclaim is essential by title companies when a search of the real estate shows issues where the title may be clouded.

For example, a spouse may instantly gain an ownership interest in a community property state. He or she could use that interest to prevent a foreclosure by the lender since that person did not sign any loan documents. When a problem with this comes up, the spouse needs to sign the loan document or sign a quitclaim to give up all claims on the real estate.

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