

SLIDE 1 – Assignment of the Mortgage (Cover Page)

SLIDE 2

Assignment of a Contract

A real estate contract that is not a personal contract for services can be assigned to another party unless the terms of the agreement specifically prohibit assignment.

Listing agreements, for example, are not assignable, since they are personal service agreements between agent and principal. Sales contracts, however, are assignable, because they involve the purchase of real property rather than a personal service.

SLIDE 3

Estoppel

Estoppel prevents a person from claiming a right or interest that is inconsistent with the person's previous statements or acts. As a basis for involuntary alienation, the doctrine of estoppel can prevent an owner from re-claiming a property that was transferred under false pretenses. For example, an owner conveys a property with a defective title. The grantor is fully aware of the defect but makes no disclosure to the grantee. The grantor later cures the defect and then claims to be the rightful owner of the property on the basis of the effort and expense of clearing the title.

Estoppel disallows the grantor's claim because of the prior conveyance action. The grantee remains legal owner and benefits from the cleared title as well.