

SLIDE 1 – COVER PAGE

SLIDE 2 – TOPICS

- I. Concept of Title
- II. Transfer by Voluntary Alienation
- III. Transfer by Involuntary Alienation
- IV. Notice to Legal Title
- V. Protection of Title
- VI. Deeds
- VII. Ownership Limitations and Restrictions
 - A. Government restrictions
 - B. Private restrictions

SLIDE 3 – LEARNING OBJECTIVES

Upon completion of this lesson, you should be able to:

- Differentiate between voluntary and involuntary alienation
- Explain the various methods of acquiring title to real property and describe the conditions necessary to acquire real property by adverse possession
- Distinguish between actual notice and constructive notice
- Distinguish between an abstract of title and a chain of title
- Explain the different types of title insurance
- Describe the parts of a deed and the requirements of a valid deed

SLIDE 4 – LEARNING OBJECTIVES – (continued)

- List and describe the four types of statutory deeds and the legal requirements for deeds
- List and describe the various types of governmental and private restrictions on ownership of real property
- Distinguish among the various types of leases

SLIDE 5 – KEY TERMS

Here are some key terms we'll encounter in this lesson:

- **abstract of title** – summary report of what the title search found in public record
- **acknowledgement** – method of obtaining title to property by occupying it contrary to the interests of the owner
- **actual notice** – knowledge acquired directly through demonstrable evidence, e.g., presenting or inspecting a deed, visiting a party in possession
- **adverse possession** – method of obtaining title to property by occupying it contrary to the interests of the owner

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- **alienation** – act of transferring ownership, title, or an interest in real property
- **assignment** – total transfer of one's rights under a real estate contract to another
- **chain of title** – listing of all previous owners
- **condemnation** – taking of private property for public purpose under eminent domain
- **construction lien** – claim based on "unjust enrichment" (party performs labor or delivered materials without compensation)

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- **constructive notice** – recording of a document that gives adequate "Notice to All"
- **deed** – written instrument that conveys title to real property
- **deed restriction** – provision placed in deeds to control future uses of property
- **easement** – the right to use another's property for a specific use
- **eminent domain** – gives government the power to take land from the owner through a legal process called condemnation

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- **encroachment** – unauthorized use of another's property
- **escheat** – reversion of property to the state when an owner dies without a will or known heirs
- **further assistance** – covenant under a General Warranty Deed that guarantees the grantor will sign and deliver any legal documents that might be needed to make the title good in the future
- **general warranty deed** – standard, full-protection deed
- **grantee** – new owner receiving title
- **granting clause** – provision in deed that specifies
 - 1) names of parties involved
 - 2) words of conveyance
 - 3) description of property

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- **grantor** – owner giving title
- **gross lease** – tenant pays fixed rent and the landlord pays all other expenses (taxes, insurance, repairs, etc.)
- **ground lease** – tenant leases- land only
- **habendum clause** – have & hold
- **intestate** – without a will
- **lien** – claim on property for payment
- **net lease** – typically commercial, the tenant pays a fixed rent plus property costs (maintenance and operating expenses)

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- **percentage lease** – tenant pays rent based on gross sales received by doing business on leased property
- **police power** – authority of the government to protect the property, life, health, and welfare of its citizens
- **quiet enjoyment** – covenant under a General Warranty Deed that guarantees peaceful possession undisturbed by claims of title
- **quitclaim deed** – current owner (grantor) signs over to new owner all of his/her rights, title, and interest to the property
- **seisin** – seller gives buyer the right to "seize" the property

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- **sublease** – to lease to another party a section of a property already leased
- **testate** – with a will
- **title** – full legal ownership of property and the bundle of rights as they apply to it
- **variable lease** – tenant pays specific rent increases as agreed upon
- **warranty forever** – covenant under a General Warranty Deed that guarantees the Grantor will forever warrant the Grantee's title against defect

SLIDE 12 – Concept of title

In this lesson we'll take a look at all the legal aspects of property title, the bundle of rights and who property legally transfers from one person to another.

Property title in U.S. law in general terms means there is evidence of title through written reports which shows the chain of title and the history of ownership as determined by public records. This legal documentation is typically recorded by title insurance companies.

Let's get right into it....

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Ownership in a bundle of rights

Remember in our last lesson we discussed at great length the "Bundle of rights." ...

Owning title to real property commonly indicates ownership of the complete bundle of rights that attach to the property, including the right to possession.

More accurately, someone who possesses all ownership interests owns legal title to the property

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Equitable title

The interest or right to obtain legal title to a property in accordance with a sale or mortgage contract between the legal owner and a buyer or creditor is equitable title.

During the contractual period of time when ownership of legal title is contingent upon the contract, the buyer or lender owns equitable title to the property.

Say a seller agrees to sell a property to a buyer using a lease/purchase agreement. As long as the monthly terms of the lease and all other terms of the purchase have been met, the buyer would take title to the property at the end of the lease term.

In essence the tenant/buyer would have "Equitable Title," in the property during the lease term, however the seller would retain the legal title until the lease period is complete and the buyer takes full legal title.

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Title transfer by operation of law

Transfer of ownership, whether voluntary or involuntary, is done by deed or operation of law.

Once the deed is executed the complete scope of the bundle of rights transfer immediately to the new owner.