

**RESIDENTIAL  
REAL ESTATE CLOSINGS**



# **RESIDENTIAL REAL ESTATE CLOSINGS**

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## **TITLE SEARCH REPORT**

### **PURPOSE OF A TITLE COMMITMENT**

In response to an order being placed for the issuance of a policy of title insurance, Attorneys' Title Guaranty Fund, Inc. prepares a report on the status of title on the designated land, and the estate or interest therein.

The information from the Title Search Report (TSR) is used to issue a "Commitment to Insure" or "Title Commitment".

When issuing a title commitment, Attorneys' Title Guaranty Fund, Inc. commits to issue a policy or policies of title insurance in favor of the proposed insured as owner or mortgagee of the estate or interest covered in the land described. This coverage is conditional upon payment of the premiums or charges and to the provisions, conditions and stipulations attached to the title commitment.

The commitment needs to be reviewed very carefully and compared with the Real Estate Contract as to the spelling of the names of all parties, terms of the sale, description of the property to be insured, and other terms to which the parties agree.

### **SCHEDULE A**

#### **EFFECTIVE DATE:**

The effective date of the commitment is the date to which the title has been searched. It differs from the order date because of the processing time. As documents are presented to the county clerk and Recorder, they become part of the public record. They are numbered sequentially and the original documents are photographed. The images of these documents are distributed to the title companies on Microfilm or on CD. The recorded documents are then posted to the appropriate legal description or to the General Index. This process takes a few days; consequently, the information available will be a few days behind, and the search report is dated accordingly.

#### **POLICY OR POLICIES TO BE ISSUED:**

Items A and B identify the policies to be issued. A, Owners: name(s) of the buyer(s) exactly as they will appear on the deed. The liability based on the sale price and the premium amount for the policy to be issued. B, Mortgagee: name of the lender exactly as it will appear on the final policy, the liability amount, and premium amount for the policy to be issued.

Item C allows for additional charges for endorsements, tax certificates, survey, or other additional charges.

Some endorsements add coverage and protection to the insured, while other forms of endorsements will limit or delete coverage of the insured.

The most common endorsement is the deletion of the standard exceptions one through four contained in Schedule B of the policy. This is frequently done on the lender policy with the issuance of Form 100. Form 100 provides the lender assurance that there are no violations of any covenant, easement or encroachment. In order to issue Form 100, Attorneys' Title Guaranty Fund, Inc., must receive an Improvement Location Certificate, together with an affidavit signed by the buyer and seller. The affidavit pertains to exceptions number one and four, stating that there has been no work done, that has not been paid for, within the mechanic's lien period (6 months). The survey permits the deletion of exception two and three.

**VESTING:**

The vesting of the property in question is the name and status of the persons or entities that own the property. This information should be checked against the order sheet and the contract, along with any documents on file to make sure it matches exactly with the sellers' name. If there is an error on the commitment, a revision must be ordered showing the correct information.

**LEGAL DESCRIPTION:**

The legal description is the description of the real property sufficient to locate said property on the ground by reference to government surveys or approved recorded maps.

The legal description is set forth on each document recorded, so as to sufficiently describe a certain piece of property. Therefore, it is essential that the legal description on the documents to be recorded is compared to the legal description on the commitment. If there is a discrepancy, it must be corrected before any documents are recorded.

**SCHEDULE A:**

**SEE ILLUSTRATION OF SCHEDULE A**

**REQUIREMENTS:**

This section of the title commitment lists the requirements to be complied with prior to the issuance of the title policy or policies. Unless stated otherwise on the commitment, all documents shown as requirements must be recorded with the clerk and recorder of the County in which the property is located.

**EXCEPTIONS:**

Schedule B, Section 2 – Exceptions will appear on all commitments. These are the “pre-printed” exceptions. See illustration of Schedule B – Section 2.

ADDITIONAL EXCEPTIONS: Along with the “pre-printed” exceptions, the commitment continues to show all matters which exist as encumbrances of record against the title and the items that the policy will not insure against. These items will appear on the policy unless a change occurs between the date of the commitment and the date the policy is issued.

Some of the most common exceptions are recorded easements and rights-of-way for public utilities.

**CONDITIONS AND STIPULATIONS:**

These are the conditions and stipulations that appear on the inside cover of the commitment which will state the terms by which the title company will insure.





## **REVIEWING THE CONTRACT**

The contract should be read carefully and completely. A suggestion is to copy the contract and highlight the pertinent information as you read through it.

If there are any amendments to the contract, they must also be supplied to the closing agent and must be made a part of the file. Understanding the contract is imperative to the closing agent when trying to facilitate a smooth closing.

1. **AGREEMENT:** This is the agreement between the two parties.
2. **DEFINED TERMS:** Defines the buyer, property to be conveyed, important dates (deadlines), and attachments to the contract, and the applicability of the terms.
3. **INCLUSIONS AND EXCLUSIONS:** Inclusions are the personal property to be conveyed with the real property. Additional items not included in the standard paragraph will need to be added and included in the Bill of Sale. Water rights can be shown in this section as well as the type of deed that will be used to convey the real property at closing. Exclusions are the personal property items that the buyer is taking with them from the property, and are not included in the sale.
4. **PURCHASE PRICE AND TERMS:** This section outlines what the purchase price will be and how it is to be paid. It tells all parties how much the earnest money is, and where it is being held. This section addresses the type of financing or assumption that will be done at closing.
5. **FINANCING CONDITIONS AND OBLIGATIONS:** Item A requires the buyer to apply for a new loan no later than the loan application deadline if the buyer is getting a new loan. Item B requires the buyer to notify the seller by the loan commitment deadline that the buyer cannot obtain a loan. If the buyer does not notify the seller by the loan commitment deadline, and is unable to obtain a loan, the buyer shall be in default. Item C requires that if the seller is to carry the loan for the buyer, then the buyer shall provide, by no later than the buyers' credit information deadline, all information to the seller with regard to the buyer's creditworthiness, and financial ability. Item D provides for a review of the existing loan if there is to be an assumption.
6. **APPRAISAL PROVISIONS:** This section states that the buyer is under no obligation to purchase the property if the appraised value is lower than the purchase price. It also states which party is to pay for the appraisal.
7. **EVIDENCE OF TITLE:** Item A requires the seller to provide a title commitment to the buyer. This section also determines if the policy will delete the standard printed exceptions (Owners Extended Coverage). Item B requires the seller to provide to the buyer copies of all of the documents listed as exceptions of the title commitment. Item C requires the seller to provide to the buyer, copies of ANY Homeowners Association governing documents as well as current financial statement for the buyers' review.
8. **TITLE:** Item A gives the buyer the right to inspect the title documents. The buyer must notify the seller by the "Title Objection Deadline" if the title is not acceptable. Item B requires the seller to provide to the buyer, anything that is not recorded against the property that could affect the title. The seller must do this by the "Off-Records Matters Deadline". Item C informs the buyer that the property about special taxing districts, and informs the buyer to investigate this matter. Item D provides the seller time to clear any unsatisfactory title conditions or unmerchantability of title. If the seller cannot do this before closing, the contract shall terminate. Item E provides for any Homeowners Association to assert its Right of First Refusal. This section states that the seller shall submit the contract for approval or waiver the associations' right of first refusal on the sale of the property. Item F is a title advisory that states that there may be factors that are not of record that

may affect title to the subject property. It also advises the buyer to consult legal counsel with respect to any these issues.

9. **LEAD BASED PAINT:** This section tells the buyer that a Lead Based Paint Disclosure has been attached if the property was built before January 1, 1978, or the contract is void.
10. **PROPERTY DISCLOSURE AND INSPECTION:** The seller must provide to the buyer a copy of the Seller's Property Disclosure before the Property Disclosure Deadline. Item A gives the buyer a right to a physical inspection of the property at the buyers' expense. It also tells the buyer that they have until the Inspection Objection Deadline to cancel the contract or provide the seller with a description of the unsatisfactory condition that the buyer will require the seller to correct. If the buyer does not do this by the deadline, the property condition is deemed to be acceptable to the buyer. Item B give the buyer and seller a deadline to come to an agreement or settlement regarding the condition of the property before the Resolution Deadline. If no settlement or agreement is made by the deadline, the contract will terminate 1 day following the Resolution Deadline. Item C makes the buyer responsible for any inspection fees, survey fees, engineering report fees, etc., that the buyer has ordered for the property, and that the buyer will not allow any liens to be placed upon the sellers property for these items. It also says that if the property is damaged during any of these inspections, the buyer is responsible for any damage.
11. **CLOSING:** This section refers to the closing date on page 1 of the contract. It also says who is responsible to scheduling the closing (usually the listing agent).
12. **TRANSFER OF TITLE:** This section describes what type of deed will deliver title to the buyer. It also describes what exceptions are taken to the title.
13. **PAYMENT OF ENCUMBRANCES:** This section requires that all encumbrances to be paid at or before closing.
14. **CLOSING COSTS; DOCUMENTS AND SERVICES:** This section is where the buyer and seller decide who will pay the costs associated with the closing.
15. **PRORATIONS:** Paragraph A tells you how property taxes are to be prorated. They can be prorated based on last years' tax amount or the most recent mill levy and current assessed value, or by any other method that both parties agree to. Paragraph B describes how the rent is to be prorated. Paragraph C discloses the amount of the current Homeowners Association Dues, and any Special Assessment, and who is to pay any unpaid dues at closing. It also discloses who is to pay the cost of ant Status Letter Fees due at closing. Paragraph D show how Mortgage Insurance shall be prorated on an Assumption. Paragraph E describes any other prorations
16. **POSESSION:** This provision provides that the seller is liable for a daily rental fee only if the seller fails to deliver possession after the predetermined possession date in the contract. It also informs the buyer that the possession may be subject to a lease or tenancy.
17. **NOT ASSIGNABLE:** This section states that the contract is not assignable by the buyer without the seller's written consent.
18. **CONDITION OF, AND DAMAGE TO PROPERTY AND INCLUSIONS:** Item A provides that if the property is damaged by fire or other casualty prior to closing, and if the damage is not valued at more than 10% of the purchase price, then the seller shall be required to have the property repaired prior to closing. If the damage exceeds 10% of the purchase price, or the property cannot be repaired prior to closing, the buyer can terminate the contract by written notice to the seller. If the buyer still wants the property despite the damage that has not been repaired, the buyer shall be entitled to a credit equal to the insurance proceeds plus the deductible on that policy. The credit cannot exceed the purchase price. Item B states that the systems of the property (heating,

plumbing, etc.) be maintained in the same condition that they were in at time of contract. If the inclusions are damaged during the contract, it is the sellers' responsibility to have the system repaired or replaced or a credit given to the seller for the cost of the repair or replacement. Item C provides for the buyer to perform a walk through of the property prior to closing to verify the condition of the property.

- 19. RECOMMENDATION OF LEGAL AND TAX COUNSEL:** This section is an acknowledgement that the buyer and seller have been advised that this contract may have important legal and/or tax consequences, and they should consult legal counsel before signing the contract.
- 20. TIME OF ESSENCE AND REMEDIES:** This section provides for remedies for the buyer and seller if all monies are not paid or if all obligations under the contract are not performed or waived. If the buyer is in default, he could be liable for Specific Performance or Liquidated Damages. Specific Performance means that if the buyer is in default, the seller can keep all monies paid, and seek other damages from the buyer or the seller can treat the contract as still being in force and the seller will have the right to Specific Performance, damages or both. Liquidated Damages means that if the buyer is in default, then the buyer would forfeit their earnest money to the seller as the sellers' ONLY remedy. If the seller is in default, the seller is subject to Specific Performance. Item C provides that, in the event of arbitration or litigation, the prevailing party is awarded costs and fees.
- 21. MEDIATION:** This section provides for the parties to refer the matter to mediation if a dispute arises. The cost of mediation would be split between the parties, and the parties must be in agreement before any settlement would be binding.
- 22. EARNEST MONEY DISPUTE:** This provision allows the broker or the closing company to hold the earnest money until a mutual agreement between the buyer and seller is reached. If an agreement is not reached, the broker or closing company may, at its discretion, interplead the funds to a court of competent jurisdiction.
- 23. TERMINATION:** If the contract is terminated, all payment shall be returned, and all parties shall be relieved of any obligations under the contract.
- 24. ADDITIONAL PROVISIONS:** This section is where the parties would outline any additional requirements or stipulations in the contract. An example might be: "seller agrees to credit \$2500.00 to the buyer at closing for closing costs".
- 25. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATIONS; SURVIVAL:** This section states that this is the entire contract and that any amendments or agreements have been merged into this contract. An obligation which is intended to be performed after termination or closing, shall survive the closing or termination.
- 26. FACSIMILE:** This section tells the parties if facsimile signatures will be accepted until original signatures can be obtained at closing.
- 27. NOTICE:** This section states that notices shall be effective when received by either party or their representatives.
- 28. NOTICE OF ACCEPTANCE; COUNTERPARTS:** Signature section for acceptance of the contract.
- 29. COUNTER; REJECTION:** Initial in this section if the offer will be countered or rejected.
- 30. BROKER ACKNOWLEDGEMENTS:** Section where the real estate brokers sign the contract, and disclose their relationship with their client.













**WHEN WORKING UP FIGURES THE FOLLOWING  
INFORMATION MUST BE OBTAINED IF APPLICABLE**

- 1. SALES PRICE:** The amount of money required to be paid for real estate, according to a contract
- 2. DEPOSIT AMOUNT:** The funds held by either the seller, the title company, or a third party on behalf of the buyer to initially hold the property in contract.
- 3. NEW LOAN AMOUNT:** The money that is being lent to the buyer, and secured by a Deed of Trust on the subject property.
- 4. EXISTING LOAN PAYOFF:** The amount required to payoff the existing loan on the subject property in full.
- 5. TITLE INSURANCE PREMIUM:** Charge for the Owner's Policy and Lender's Policy of Title Insurance. The premium amount is based on the amount of insurance required. The Owner's Policy is customarily paid by the seller, while the Lenders Policy is paid by the buyer.
- 6. ENDORSEMENT FEES:** Fees collected to endorsements to the Owner's or Lender's Title Insurance Policies. Customarily these fees are paid by the buyer, but may be paid by the seller depending on the type of financing, and if a particular endorsement is required for the sale to occur.
- 7. RECORDING FEES:** Buyer and seller will each pay for their own recording fees. Usually the Warranty Deed and Deed of Trust are paid by the buyer, and release fees are paid by the seller. Any other recording fees are paid by the party that benefit from the recording.
- 8. DOCUMENTARY TRANSFER FEES:** The buyer will typically pay this fee which is based on the sales price. The transfer fee is .10 for each \$1000.00 of the sales price.
- 9. TAX CERTIFICATE FEE:** Normally the Tax Certificate fee is paid by the Seller.
- 10. TAXES FOR PRECEEDING YEARS:** In Colorado, taxes are due the 1<sup>st</sup> of the year, for the preceding year. If taxes are not paid prior to closing, they must be collected from the seller and paid at closing.
- 11. TAXES FOR THE CURRENT YEAR:** Taxes for the current year are usually based on the prior years' amount, and are prorated between the buyer and seller on the HUD-1 Settlement Statement.
- 12. TAX RESERVE:** The new lender will collect a tax reserve if there is an escrow account associated with the new loan. The amount of the reserve will vary depending on the closing date, due date of the taxes, and the annual tax amount.
- 13. SPECIAL TAXES AND ASSESSMENTS:** Special taxes and assessments are usually paid by the seller up to the day of closing, and the buyer pays for the day of closing forward.
- 14. PERSONAL PROPERTY TAXES:** Personal property taxes are prorated to the day of closing between the buyer and seller, if applicable.
- 15. HAZARD INSURANCE PREMIUM:** The closing agent will pay the 1<sup>st</sup> year of the hazard insurance premium at the closing. The lender will pay the insurance when it renews, if the loan has an escrow account for taxes and hazard insurance. If no escrow account exists, then the buyer must pay all premiums from the date of closing forward.

- 16. HAZARD INSURANCE RESERVE:** If the loan has an escrow account, then the lender will collect a monthly portion of the hazard insurance based on the annual premium. The lender will place these funds in their escrow account, and pay the premiums annually when they are due.
- 17. FHA MORTGAGE INSURANCE RESERVE:** Where the lender is requiring mortgage insurance, there will usually be a charge for a monthly premium amount based on the annual premium.
- 18. SURVEY; IMPROVEMENT LOCATION CERTIFICATE (ILC):** The ILC fee is normally paid by the buyer. This certificate shows the improvements on the property in relation to the property boundary lines. If an actual Pin Survey is needed, that cost will normally be paid by the seller.
- 19. CREDIT REPORT:** The credit report fee is a fee paid to the credit reporting company that provides a credit report to the lender. This fee is paid by the buyer.
- 20. APPRAISAL FEE:** The cost of obtaining an appraisal for the subject property for the lenders interest is normally paid by the buyer.
- 21. WATER:** Water is paid per the requirements of the respective water districts. If the water bill is monthly, then a final water meter reading is requested by the title company, and a portion of the sellers' proceeds are held in escrow pending the receipt of the final water bill a few days after closing. The final bill is paid from the sellers' funds held in escrow. The remainder of the funds, along with a copy of the final water bill, is returned to the seller.
- 22. RENTS:** Rents are prorated at closing based on the rent due dates and the closing date.
- 23. SECURITY DEPOSITS:** Security deposits are transferred to the buyer at closing. The seller is charged for the amount of the deposit held.
- 24. LOAN TRANSFER FEE:** This is a transfer fee paid by the buyer when the buyer is assuming the sellers' loan.
- 25. LOAN PAYMENT DUE:** If, at the time of closing on an assumption loan, there is a payment due, the lender will require that the payment be collected at closing. The party that pays the payment is the party that holds title on the actual payment due date. It is important to note which party makes the payment, because that will affect who is debited and credited for the interest proration.
- 26. BROKER'S FEE:** The seller is normally charged for the commission based on the sales price of the home. Sometimes there will also be a broker's fee charged to the buyer by the Selling Agent. It is important that this fee is reflected on the contract.
- 27. HOMEOWNERS ASSOCIATION (HOA) DUES:** Homeowners Association Dues are prorated normally for the month and day in which the closing is to occur. If the HOA charges a Status Letter Fee, the payment of that fee will be directed by the contract. It is also common to have a working capital charge. This is an amount of reserve funds that the HOA holds on behalf of the owner. This fee should be charged to the buyer and credited to the seller at closing.
- 28. TAX SERVICE FEE:** The Tax Service Fee is a charge by the lender which is paid to a third party which reports the status of taxes on a yearly basis to the lender on the subject property. This fee is normally paid by the buyer.
- 29. PREPAID INTEREST:** Interest on the new loan is charged on a per diem basis by the new lender to pay the days from the date of closing to the 1<sup>st</sup> of the following month.  
**EXAMPLE: Closing 9/27; per diem \$25.68, interest to 10/01 would be \$102.72 (4 Days)**

## TYPES OF CLOSINGS

**CASH SALE:** In this type of sale, the buyer does not get a new loan. Any existing loans on the property must be paid off.

**NEW LOAN SALE:** In this type of transaction, the buyer obtains a new loan from a third party lender. Any existing loans must be paid off.

**ASSUMPTION:** In this type of transaction, the existing loan remains a lien against the property, and the buyer assumes the balance of the loan.

**CARRY BACK FINANCING:** In this type of transaction, the seller uses some or all of their equity to carry a new loan for the buyer. This loan could be just to assist the buyer with closing costs, or could be for the entire purchase price. If the seller agrees to carry back part of the purchase, and the buyer is also obtaining a new loan, the title company must have a subordination agreement signed by the seller, and recorded so that the sellers' carry back loan is in 2<sup>nd</sup> lien position.

## FILE PROCESSING

### LENDERS FIGURES:

A new lender will normally generate the loan figures 24 hours prior to closing. These figures will typically include:

- Loan Fee (Origination and/or Discount fee)
- Prepaid Interest (Per Diem)
- Credit Report and Appraisal Fees
- Hazard Insurance Premiums
- Reserve Account figures (# of months to hold and amount per month)
- Survey/ILC Fee
- Loan Amount
- Wire Amount (net funding amount)
- Document Preparation Fee
- Underwriting and/of Processing Fees

### PAYOFFS:

An existing loan must be paid off, unless it is being assumed. The seller cannot deliver clear title to the buyer unless all existing liens are paid in full and removed from the title. In order to release the lien, payoff information must be obtained, and the lien holder paid in full.

Payoff information can be obtained from the following sources:

- Deed of Trust of Record
- Listing Agent
- Seller
- Seller's Attorney

When ordering a payoff statement, it is essential to verify the owner's name, address, and loan number. It is important to note that some parties may have more than 1 loan with a lender so you will need to be cautious to payoff the correct loan.

The proper time to order the payoff statement is 2 to 3 weeks prior to closing. Some lenders will respond to a verbal payoff request, while others require a written request to be faxed or mailed.

Once a payoff statement is received, you should look for the following:

- Type of loan being paid off

The type of loan being paid off will give you information such as how the interest will be calculated. If you are paying off an FHA loan, it is important to note that the interest is calculated monthly. A VA or conventional loan requires that the interest be calculated through the day of closing. You will want to allow yourself enough time to get the payoff check to the lender, so calculating interest a few days past closing is a good practice.

- Principal balance of the loan
- Interest paid to date
- Late charges, if any
- Prepayment penalties, if any
- Other fees such as statement fees, or fax fees

The payoff is calculated to the day of receipt by the existing lender. It is important to collect enough interest so that the check is enough to cover the loan that day. Any overage paid to the lender will be refunded to the borrower.

Most payoff statements will give a date that the payoff statement is good through. It is important to get an updated payoff statement if your closing is rescheduled beyond that date. Normally payoff statements can be ordered and received within a few days to a week. Be sure to call your payoff lender well in advance to find out what their practices and requirements are, as well as turn around times, so that you make sure you secure your payoff statement prior to closing. Many payoff statements require the closing agent to call prior to closing to verify the payoff figures. If you don't call the lender to verify, you run the risk of the lender not accepting your payoff funds.

#### **ASSUMPTION DEMANDS:**

In some cases, it is possible for the buyer to assume the existing loan on the property. The contract will tell you if the transaction is an assumption of a current loan. The title commitment will not call for a release of that Deed of Trust, but will show it as an exception. As in the demand for the payoff, the closing agent must obtain the loan information and request an assumption statement from the lender in a timely manner, normally 1 to 2 weeks prior to closing.

#### **HOMEOWNERS ASSOCIATION (HOA) STATUS LETTER:**

Homeowners associations exist for 2 types of developments; a condominium or townhouse and a planned unit development (PUD).

A condominium is an estate in real property with individual ownership of single units, usually cubes of air space and common ownership of the building, recreation areas and grounds.

A planned unit development differs from a condominium in that the owners own the land and the structure of the individual unit, in addition to common ownership of recreation areas and grounds. Typically this would include a pool or park area.

In both cases dues are collected from each of the owners which is used to maintain and operate all of the common and recreational areas. When the subject property is within a homeowners association, you will need to find out the amount of the fee and the date to which it has been paid. This information can be obtained normally from the management company or from the homeowner's association. The statement from the homeowner's association or their agent should be ordered 1 to 2 weeks prior to closing.

Some management companies charge a transfer fee or require that a reserve account of the maintenance fee be set up. Special assessments are also occasionally charged by the homeowner's association, however, it is important to note who will pay for those as noted in the contract.

#### **WATER AND SEWER INFORMATION:**

Many different water companies service the metropolitan area and each has its' own idiosyncrasies. Because of this, a file of names, telephone numbers and addresses becomes a valuable tool. Water and sewer information is necessary on closings as unpaid bills become a lien on the property.

Information you will need from the water department:

- Amount of last billing
- Date covered by last billing
- Flat rate or metered account?
- Does billing include water and sewer?
- Is there a set-up fee or transfer fee?
- Is there a meter deposit?

Information you will need to give the water department:

- Name of the new owner
- Where the final bill is to be sent
- Date of the closing

If water is metered, arrange to have the meter read on the day of closing. Then escrow an amount from the seller to cover the final water bill. The difference will be refunded to the seller after payment has been made. A copy of the final water bill should accompany the seller's refund. It is a good idea to escrow a minimum of twice the amount of the seller's last bill.

In some municipalities you will also have a charge for storm drainage or wastewater. The amount quoted by the department will be for one year as they bill once a year. This amount will be prorated between the buyer and seller.

#### **REAL ESTATE TAXES:**

Real estate taxes must be prorated and any unpaid taxes paid at the time of closing. To obtain real estate tax information, you will need the schedule number. The schedule number is obtained through the county assessor of the county in which the property is located. The assessor will, upon request, provide you with the following information:

- The most recent mill levy
- The most current assessed valuation
- The schedule number

Most contracts now provide that the tax proration be based on the most recent year's taxes however; they may also use other methods. The contract will state which method is to be used and if it is a final settlement between the parties.

To determine the status of the taxes and if there are any special taxing districts, you will need to call the treasurer of the county in which the property is located.

#### **PERSONAL PROPERTY TAXES:**

Personal property taxes are not usually an issue with residential property so the contract will not mention them. However, in most commercial sales you will find personal property taxes. The schedule number for personal property taxes is obtained from the county assessor and the tax status from the County Assessor and the tax status from the county treasurer. Like real estate property taxes, personal property taxes must be prorated and any unpaid taxes paid at the time of closing.

## **COMMISSIONS:**

In the contract note the realtors involved with the transaction. There may be a listing agent and a selling agent. If there are two agents there is normally a commission split. If there is no mention of the commission split you will need to contact the listing agent to obtain this information.

The commission may be based on a percentage of the sales price or be a flat rate. If the commission is based on a percentage you will arrive at the dollar amount by multiplying the sales price by the percentage.

EXAMPLE:

$$\$70,000.00 \times .06 = \$4,200.00$$

EXAMPLE OF COMMISSION SPLIT:

$$\$70,000.00 \times .06 = \$4,200.00 \text{ (Total Commission)}$$

$$\$4,200.00 \times 60\% = \$2,520.00 \text{ (to Listing Agent)}$$

$$\$4,200.00 \times 40\% = \$1,680.00 \text{ (to Selling Agent)}$$



## **TYPES OF LOANS**

### **FHA (FEDERAL HOUSING ADMINISTRATION) LOANS:**

Typically with an FHA loan a lender who has been authorized to engage in this type of lending lends the money. FHA insures or guarantees the loan so that the lender is insured against loss in the event there is a foreclosure.

### **VA (VETERANS ADMINISTRATION) LOANS:**

VA Loans Are Made to Qualified Veterans and are guaranteed by the veterans Administration. If a VA loan is foreclosed upon, VA pays a percentage of the balance due to the lender. In return for this guarantee, the VA specifies some of the loan terms, such as the maximum permitted loan and other terms.

FHA and VA loans will always have an escrow for taxes and insurance.

### **CONVENTIONAL LOANS:**

Conventional loans differ from FHA and VA loans in that they are not insured or guaranteed by any government agency. On a conventional loan the lender can, within legal parameters, determine how they will grant, service and protect themselves against losses. By contrast, lenders must follow required government procedures which involve substantial additional time and paperwork if they make FHA or VA insured or guaranteed loans. The conventional lender may or may not collect and hold an escrow for taxes and/or insurance.

## INSTRUCTIONS FOR COMPLETING THE HUD-1 SETTLEMENT STATEMENT

The following are instructions for completing Sections A through L of the Uniform Settlement Statement (HUD-1), required under Section 4 of Real Estate Settlement Procedures Act (RESPA) and called Regulation X. This form is to be used as uniform statement of actual costs and adjustments to be given to the parties in connection with the settlement. Refer to Regulation X of the Department of Housing and Urban Development (24 CFR Part 3500) to determine if the Uniform Settlement Statement is legally required to be used in a particular mortgage transaction. There is no objection to the use of the form in transactions where its use is not legally required.

### GENERAL INSTRUCTIONS:

Information and amounts may be filled in by typewriter, hand printing, computer printing or any other method producing clear and legible results. Copies of the form sent to the borrower and the seller may be carbon copies or other clear legible copies. Refer to Regulation X regarding rules applicable to printing of the form. An additional page may be attached to the Hud-1 for the purpose of including customary recitals and information used locally in real estate settlements, for example, a breakdown of payoff figures, a breakdown of mortgagor's total monthly mortgage payments, check disbursements, a statement indicating receipt of funds, applicable special stipulations between buyer and seller, and the date funds are transferred. The reverse side of the form may be used instead of an additional sheet.

Where charges are paid outside of the settlement (normally by separate check), but are included in the requirements of Regulation 3500 8 (b), they shall be stated with the notation "P.O.C." (**Paid Outside of Closing**) and shall not be included when computing totals. In accordance with Regulation 35008 (b), charges not imposed upon the borrower or seller by the lender and which borrower or seller contract to pay for separately outside of settlement, need not be entered on the Hud-1.

Instructions for completing the individual items on the form follow. Where no instructions are given the item is thought to be self-explanatory.

**SECTION A:** The lender, title company, other firm, or other person conducting the settlement and preparing the form may insert its name and/or logotype in Section A.

**SECTION B:** Check appropriate loan type and complete the remaining items as applicable.

**SECTION D AND E:** Fill in the names and current mailing addresses and zip codes of the borrower and the seller. Where there is more than one buyer or seller, the name and address of one is sufficient.

**SECTION G:** The street address of the secured property should be given. If there is no street address, a brief legal description or other location of the property should be inserted. In all cases give the zip code of the property.

**SECTION H:** Fill in the name, address and zip code of the settlement agent; address and zip code of "place of settlement".

**SECTION J:** Summary of Borrower's Transaction. The borrower may be given a copy of the form which does not contain the information filled in under "Summary of Seller's Transaction". (Section K, Series 400, 500 and 600 items.)

Lines 104 and 105 are for additional amounts owed by the buyer. For example, the balance in the seller's reserve account held by the lender, if assigned to the buyer in a loan assumption case, will be entered here. These lines will also be used when a tenant in the property being sold has not yet paid his rent, which the buyer will collect, for a period of time prior to the settlement. The seller will be credited on lines 404 and 405.

Lines 106 through 112 are for items which the seller had paid in advance, and for which the buyer must therefore reimburse the seller. Examples of times for which adjustments will be made may include taxes and assessments paid in advance for an entire year or other period, when settlement occurs prior to the expiration of the year or other period for which they were paid. Additional examples include hazard insurance premiums, if the buyer is being substituted as an insured under the same policy; mortgage insurance in loan assumption cases; planned unit development or condominium association assessments paid in advance; fuel or other supplies on hand, purchased by the seller, which the buyer will use when buyer takes possession of the property; and ground rent paid in advance.

Line 203 is used for cases in which the buyer is assuming or taking title subject to an existing loan or lien on the property.

Lines 204 – 209 may be used in cases in which the seller has taken a trade-in or other property from the buyer in part payment for the property being sold. They may also be used in cases in which the buyer is to purchase on his own. Such an allowance should also be entered on lines 506 to 509.

Lines 210 through 219 are for items which have not yet been paid, and which the buyer is expected to pay, but which are attributable in part to a period of time prior to the settlement. In jurisdictions in which taxes are paid late in the tax year, most cases will show the proration of taxes in these lines. Other examples include utilities used but not paid for by the seller, rent collected in advance by the seller from a tenant for a period of time extending beyond the settlement date, and interest on loan assumptions.

Line 303 may indicate either the cash required from the borrower at settlement (the usual case in a purchase transaction) or cash payable to the borrower at settlement (if, for example, the buyer's earnest money deposit exceeded his cash obligations in the transaction). The appropriate box should be checked.

**SECTION K:** Summary of Seller's Transaction. The seller may be given a copy of the form which does not contain the information filled in under "Summary of Borrower's Transaction" (Section J, Series 100, 200 and 300 items.)

Instructions for the use of lines 106 – 112, above, apply also to lines 406 to 412.

Line 501: If the seller's real estate broker has received and holds an earnest money deposit which exceeds the commission owed to him, and if he will tender the excess deposit directly to the seller, rather than through the settlement agent, the amount of excess deposit should be entered on line 501.

Line 503, is used if the purchaser is assuming or taking title subject to existing liens which are to be deducted from sales price.

Lines 506 through 509 may be used to list additional lines which must be paid off through the settlement to clear title to the property. They may also be used to indicate funds to be held by the settlement agent for the payment of water, fuel, or the utility bills which cannot be prorated between the parties at settlement because the amounts used by the seller prior to settlement are not yet known.

Instructions for the use of lines 510 through 519 are the same as those for lines 210 to 219 above.

**SECTION L:** Settlement Charges. For all items except those paid to and retained by the lender, the name of their person or firm receiving the payment should be shown. The column which relates to the borrower's transaction may be deleted from the copy of the form which will be furnished to the borrower.

Line 700: If the sales commission paid by the seller is based on a percentage of the purchase price, enter the purchase price, the percentage, and the dollar amount of the total commission paid by the seller.

Lines 701 – 702 are to be used to state the split of the commission where the person conducting the settlement disburses portions of the commission to two or more agents.

Line 703: If the broker is retaining a part of the earnest money deposit to apply towards his commission, include in lines 703 only that part of the commission being disbursed at settlement.

Lines 704: Line 704 may be used for additional charges made by the sales agent, or for a sales commission charged to the buyer, which will be disbursed by the settlement agent.

Line 801: Enter the fee charged by the lender for originating the loan. If this fee is usually computed as a percentage of the loan amount, enter the percentage in the blank indicated.

Line 802: Enter the loan discount charged by the lender, and, if it is computed as a percentage of the loan amount, enter the percentage in the blank indicated.

Line 803: Enter appraisal fees, if there is a charge separate from the origination fee. The VA or FHA appraisal fee is included on line 806.

Line 805: Is used only for inspections by the lender or his personnel. Charges for other pest or structural inspections, required by Regulation X to be stated, should be entered in lines 1301 – 1305.

Line 806: Should be used for a VA appraisal fee, FHA application fee (which covers the cost of appraisal for the agency as well), or a fee required by a private mortgage insurance company.

Line 807: Is provided for convenience in using the form for loan assumption transactions.

Line 901: If interest is collected at settlement for a part of a month or other period between settlement and the date from which interest will be collected with the first regular monthly payment, enter that amount here. If such interest is not collected until the first regular monthly payment, no entry should be made on line 901.

Line 902-903: if the lender is requiring that the 1<sup>st</sup> year of homeowners insurance to be paid at closing, it should be shown in line 902, and any upfront mortgage insurance should be paid on 903.

Lines 1000 – 1006. This series is used for amounts collected by the lender from the borrower and held in an account for the future payment of the obligations listed as they fall due. In many jurisdictions this is referred to as an "escrow," "impound", or "trust" account. In addition to the items listed, some lenders may require reserves for flood insurance, condominium owners' association assessments, etc.

Line 1101: Enter the fee of the person or firm conducting the settlement. In some jurisdictions this is termed a closing or escrow fee. If two or more persons or firms make charges in connection with the same transaction, enter total charges in the appropriate columns, and indicate the breakdown of charges on the line after the word "to".

Lines 1102 and 1103: In some jurisdictions the same person (for example, an attorney) both searches the title (that is, performs the necessary research in the records) and examines title (that is, makes a determination as to what matters affect title, and provides a title report or opinion). If such a person charges only one fee for both services, it should be entered on line 1103. If separate persons perform these tasks, or if separate charges are made for searching an examination, they should be listed separately.

Line 1105: Enter charges for preparation of deeds, mortgages, notes, etc. If more than one person receives a fee for such work in the same transaction, show the total paid in the appropriate column and the individual charges on the line following the work "to".

Lines 1108 – 1110: Enter the total charge for title insurance (except for the cost of the title binder) on line 1108. Enter on lines 1109 – 1110 the individual charges for the lender's and owner's policies. Note that these charges are not carried over into the borrower's and seller's columns, since to do so would result in a duplication of the amount in line 1108. If a combination lender's/owner's policy is available show this amount as an additional entry on line 1109 and 1110.

Lines 1111 – 1113: These lines are for the entry of other title charges not already itemized. Examples in some jurisdictions would include a fee to a private tax service, a fee to a county tax collector for a tax certificate, and a fee to a public title registrar for a certificate, and a fee to a public title registrar for a certificate of title under a Torrens Act. Show the attorney's fees for legal representation on lines 1111 – 1113.

Lines 1303 – 1305: Enter on these lines any other settlement charges not referable to the categories listed above on the form, which are required to be stated by Regulation X. Examples may include structural inspections or pre-sale inspection of heating plumbing or electrical equipment. These inspection charges may include a fee for insurance or warranty coverage.

Lines 1400: Enter the total settlement charges paid from borrower's funds and seller's funds. These totals are also entered on lines 103 and 502, respectively, in Sections J and K.





## SIX COLUMN WORKSHEET

The most common worksheet used in Colorado is the 6 column worksheet. There are debit/credit columns for the buyer and seller. The credit columns may reflect any overpayment of prepaid items to the buyer and prorations benefiting the buyer and/or seller. The sales price is a credit to the seller and a debit to the buyer. The debit columns itemize those charges to the buyer and the seller in connection with the sale and new loan if there is one. The remaining two columns are the broker debit/credit columns. The debit column is for monies coming into the closing such as loan proceeds, earnest money and buyer funds. The credit column entries are the disbursements such as payoffs, title and recording fees and seller's proceeds.

### **RULES TO REMEMBER:**

THE BUYER ALWAYS PAYS FROM THE DAY OF CLOSING FORWARD.

THE SELLER ALWAYS PAYS FROM THE "BEGINNING" TO THE DAY BEFORE CLOSING.

When all applicable entries have been made in the worksheet the ultimate objective of these entries are (1) to determine how much the buyer owes or has coming and (2) to determine how much money the seller is owed (or owes) and (3) to determine that the broker is collecting as much as is being paid out. These objectives are achieved through the process of ascertaining subtotals and totals of the three pairs of debit/credit columns on the worksheet.

### THE SELLER'S COLUMN:

Total both the debit and credit columns and enter these totals on the subtotal lines. If the subtotal of the credit column exceeds the subtotal of the debit column (as is generally the case), then enter this difference in the seller debit column on the line labeled "Amount Due to/from Seller". Then the word "from" should be deleted because in these instances the seller is owed money. Then enter the totals for each column. This process is called balancing the two columns because when the totals are entered for each column, the Grand Totals will be identical. Then enter this amount due (debit) to the seller in the broker credit column as the corresponding credit. (Broker payout)

### THE BUYER'S COLUMN:

Subtotal the two buyers' columns, then balance and total in the same fashion as with the seller's columns. Usually, the buyer will owe money, but not always. When the subtotal amount entered on the buyer's "Balance Due" line is a buyer debit, it means this is the amount due to buyer. Therefore, this amount is entered in the broker credit column signifying that this amount is due to the buyer. When the subtotal differential amount entered on the buyer "Balance Due" line is a buyer credit, it means this amount is due from the buyer. This amount is then entered in the broker column, signifying the amount is due to the broker from the buyer.

### THE BROKER'S COLUMN:

After entering the debit(s) and or credit(s) from the buyer and seller "Balance Due" lines in the corresponding broker credit and/or debit column as discussed previously, and then enter subtotal and total figures in the two broker columns. These totals from the broker's columns should be identical. If they are not the same, there is an error(s) and it (they) must be located and corrected.



## **CLOSING TIPS**

1. NEVER CLOSE WITHOUT WRITTEN INSTRUCTIONS FROM ALL PARTIES, INCLUDING THE LENDER.
2. NEVER CLOSE WITHOUT MEETING ALL LENDER REQUIREMENTS.
3. NEVER ALTER ANY LOAN DOCUMENTS WITHOUT THE LENDER'S WRITTEN PERMISSION.
4. NEVER LOSE YOUR CONTROL.
5. NEVER TAKE SIDES. YOU ARE A DISINTERESTED THIRD PARTY.
6. NEVER DISCLOSE ANY INFORMATION ABOUT A CLOSING WITHOUT WRITTEN PERMISSION FROM THE PARTIES.

The title company usually acts as the disbursing agent for all funds in the real estate transaction. The amounts and figures are supplied to the title company by a variety of sources. For example, the loan figures are supplied by the lender, the homeowners' association status is supplied by the management company etc. Normally, the real estate contract acts as the written instructions to the title company. The title company then compiles the information from all of its sources.

The title company closer also reviews the title commitment to clear any liens or encumbrances that may exist on the property. The title company normally provides closing statements and other disclosure documents to the parties at or before closing for their review and signature. One of the most common problems with closings is the inability for closers to have the time to proofread and review all documents prior to closing. It is most important that this be done.

As a closer, it is necessary to know what your clients want and how you can provide the services they need. Some people will want full explanation of all documents. Others will only want to look over the documents themselves without explanation and sign at their own speed and leisure. It is extremely frustrating to a closer as well as the parties to the transaction when the closer has to stop and read the entire document prior to giving an explanation. Sometimes with loan closing documents, a complete review cannot be accomplished prior to closing, but the closing documents that are generated by the title company must be understood by the closer.

## THE CLOSING

1. Introduction
  - a. Yourself
  - b. Who is who
  - c. Who is representing who
2. Collect Photo I.D.'s
3. Verify Money
  - a. Earnest money
  - b. Buyer/seller
  - c. Loan proceeds
4. Loan Package
  - a. Meet all loan requirements
  - b. Truth in Lending
  - c. Note
  - d. Deed of Trust
  - e. Other loan documents
5. Real Estate
  - a. Seller's statement
  - b. Buyer's statement
  - c. HUD-1 Settlement Statement
  - d. Closing Instructions
  - e. Tax Agreement
  - f. Utility Agreement
  - g. Affidavit (buyer and seller)
  - h. 1099 Certification/Non Foreign Affidavit (seller)
  - i. Real Property Transfer Declaration (TD-1000)
  - j. Bill of Sale
  - k. Warranty Deed (or other Deed of Conveyance)
6. Have any money endorsed
7. Excuse yourself to make copies
8. Congratulations!

## **THE CLEAN OUT PROCESS**

### **VERIFY ALL CHECKS IN THE FILE:**

- a. Verify that all checks are made payable to the appropriate parties. **PAY PARTICULAR ATTENTION TO THE ENDORSEMENTS.**
- b. Verify all amounts on the checks.

### **PREPARE RECORDING PACKAGE:**

Review documents for accuracy and add the address of party to whom document is to be returned on the back of the document. Deeds are usually returned to the grantee/buyer. Deeds of Trust are returned to the lender; Subordination Agreements are returned to the lender; and releases are returned to the Seller.

Recording Packages should contain the following items:

1. Recording Transmittal (for policy)
2. Deed
3. Deed of Trust
4. Riders to Deed of Trust
5. Assignment
6. Copy of Title Commitment
7. Survey
8. Lien Affidavit
9. Forwarding Addresses
10. Release Note/Deed of Trust Paid in Full
11. Real Property Transfer Declaration

NOTE: Copies of all documents should be retained for your file.

### **HOMEOWNERS ASSOCIATION PACKAGE:**

1. Check to Homeowners Association for dues and other fees required.
2. Check to Management Company for Transfer fee
3. Copy of Warranty Deed

### **FINAL AUDIT:**

The following audit procedure is recommended:

1. Verify receipts and disbursements
2. Run proof tape of money receipts and totals
3. Run proof tape of check copies and totals

**FILES WITH ESCROW SHOULD BE KEPT SEPARATELY FOR FUTURE DISBURSEMENT UPON RECEIPT OF APPROPRIATE DOCUMENTATION.**

## RECOMMENDED FILE ORDER

### LEFT SIDE OF FILE: (TOP TO BOTTOM)

- Balance Sheet
- Copies of all checks issued
- Worksheet/or computer generated worksheet
- Copy of all incoming checks
- Copy of all deposits
- Copy of all incoming and outgoing wires
- Copy of funding figures from lender
- Phone log

### RIGHT SIDE OF FILE:

- Copy of water and sewer utility agreement (if escrow hold is necessary)
- Copy of any escrow instructions for holdbacks
- Copy of Recording Transmittal
- Copy of recorded documents (In order of recording)
- Copy of drivers license
- Copy of 1099
- Original Hud-I Settlement Statement
- Original Sellers Statement
- Original Buyers Statement
- Original Closing Instructions
- Original Tax Agreement
- Original Utility Agreement
- Copy of sellers documents, including approved copies of bills, etc.
- Copy of buyers documents, including approved copies of bills, etc.
- Copy of Funding Letter/Lender Transmittal
- Copy of insurance policy
- Copy of all lenders documents
- Copy of all bills to be paid through closing
- Copy of all payoff statements
- Copy of demand letters (payoffs, homeowners' status, etc.)
- Copy of Commitment and Request for Update
- Copy of contract with all addendums on top
- Copy of order sheet

































## **BILL OF SALE**

The use of the Bill of Sale is expressly required when personal property is included in the sale. The Contract only obligates the seller to convey title to any chattels included. The executed Bill of Sale is still needed to actually convey the title to the chattels. To determine the chattels being conveyed along with the real property, refer to the Contract, Paragraph 2. Paragraph 2 includes a printed list of chattels and fixtures as possible items to be included in the sale. Any items excluded should be noted as well as any additional items not in the pre-printed section.



## WARRANTY DEED PREPARATION

### PREPARING THE DEED:

- A. **DEED:** The deed should always be dated the same day as the closing.
- B. **GRANTOR:** Name of the Grantor should always be identical to the name of the current owner.
- C. **GRANTEE:** Name of the Grantee must be an entity capable of holding title. There may be more than 1 Grantee; as joint tenants or tenants in common.
- D. **ADDRESS:** The legal address and county must be shown for the Grantee on all deeds.
- E. **CONSIDERATION:** The purchase price for the property; it is customary to write out the consideration in words as well as set forth the sum in numbers.
- F. **LEGAL DESCRIPTION:** The legal description of the real property follows the granting clause. A deed is not valid unless it describes the real property conveyed. If the legal description is too long for the space provided, attach an exhibit and describe it "see exhibit A, attached hereto".
- G. **LEGAL ADDRESS:** The legal address of the real property being conveyed.
- H. **EXCEPTIONS:** Exceptions are noted here from the Grantor's warranties. E.g. Except for the current year taxes and subsequent years and except easements, restrictions, reservations, covenants and rights of way of record, if any. If a Grantee is assuming an existing deed of trust, describe it by the date of execution, date of recording, book and page, and also state that the Grantee assumes and agrees to pay it.
- I. **SIGNATURE LINE:** Grantors' signature line must be on the deed exactly as entered in Item B.
- J. **ACKNOWLEDGEMENT:** The state and county where the deed is actually acknowledged should be filled in.
- K. The date of the actual acknowledgement.
- L. The Grantors' names show exactly as signed.
- M. The notary's date of expiration of his or her commission must be shown, and this date must be later than the date of acknowledgement.
- N. The notary seal must be affixed, and the name shown on the seal must be the same as the name of the notary who signed.



## **DIFFERENT TYPES OF DEEDS COMMONLY USED IN REAL ESTATE TRANSACTIONS**

There are four types of deeds commonly used in Colorado: (1) General Warranty Deed; (2) Special Warranty Deed; (3) Bargain and Sale Deed; and (4) Quitclaim Deed

In a General Warranty Deed the grantor guarantees the title to the real property against any defects existing before the grantor acquired title as well as during the time of the grantor's ownership.

In a Special Warranty Deed the grantor guarantees title only against defects arising during the time the grantor owned the property.

In a Bargain and Sale Deed the grantor conveys the real property as well as any after acquired title thereto, but contains no warranties of title. Examples of these kinds of deeds are Personal Representative's Deeds and Public Trustee's Deeds.

In a Quitclaim Deed the grantor warrants nothing. This deed conveys whatever interest the grantor has, if any.

## **DOCUMENTS NECESSARY IN THE EVENT OF DEATH**

### **I. DISTRIBUTION FROM THE ESTATE:**

- A.     INTESTATE:**
  - Release of inheritance tax lien
  - Decree of heirship
  - Decree of final settlement and discharge
  
- B.     TESTATE:**
  - Release of inheritance tax lien
  - Order admitting will to probate
  - The will
  - Decree of final settlement and discharge

### **II. SALE OUT OF ESTATE:**

- A.     INTESTATE:**
  - Release of inheritance tax lien
  - Order confirming sale
  - Order admitting will to probate
  - The will
  - Order admitting will to probate
  - The will
  
- B.     TESTATE:**
  - Release of inheritance tax lien
  - Order admitting will to probate
  - The will
  - Personal Representatives Deed OR Executor's Deed
  - Letters of Appointment
  - If the will contains no powers of sale, there will need to be an order from the court confirming the sale.

**III. JOINT TENANCY:**

Release of inheritance tax lien  
Death Certificate  
Supplemental Affidavit



## GLOSSARY

### DEFINITIONS OF COMMONLY USED TERMS

Abstract of Title	A summary or condensation of the essential part of all recorded instruments which affect a particular piece of real estate, arranged in the order in which they were recorded.
Acceleration Clause	A clause in a contract by which the time for payment of a debt is advanced, usually making the obligation immediately due and payable, because of the breach of some condition, such as failure to pay an installment when due.
Acceptance	The indication or manifestation by the offeree that he is willing to be bound by the terms of the offer.
Acknowledgement	A declaration made by a person to a notary public, or other public official authorized to take acknowledgements, that the instrument was executed by him and that it is his free and voluntary act.
Acre Foot	A term used in measuring the volume of water, equal to the quantity of water required to cover 1 acre 1ft. in depth, or 43,560 cu. ft.
Administrator	A person appointed by the court to administer the estate of a deceased person who died without leaving a will; that is, who died intestate.
Ad Valorem	Latin meaning "according to value". Normally used to describe a tax based on the assessed value of real property.
Adverse Possession	The right of an occupant of land to acquire a superior title to the real estate against the record owner, where such possession has been actual, notorious, hostile, visible and continuous for the required statutory period (in Colorado, 18 years). The purpose behind this concept is to promote the productive use of land and to give title to the one putting the land to use.
Appurtenance	That which belongs to something else; something adapted to the use of the real property to which it is connected or belongs, and which was intended to be a permanent addition to the land and which passes as an incident to said land, as a house, barn, garage, right of way
Assessed Valuation	The estimate of value by a unit of government for taxation purposes.
Assessment	In real estate, the listing and valuation of property for the purpose of apportioning a tax upon it. Special Assessment is a charge against real property made by a unit of government to cover the proportionate cost of an improvement, such as a street or sewer.
Assignee	The party to whom a legal right has been assigned or transferred.
Assignment	A transfer to another of a legal right.

Assignor	The party to who assigns or transfers a legal right.
Attachment	A type of encumbrance, permitted only under special circumstances, which is placed against the real estate of a defendant in the pending lawsuit for money damages.
Attorneys' Opinion	In real estate, the written opinion of an attorney-at-law regarding the marketability of title to real property based upon an examination of the abstract of title or the records in the county clerk and recorders office.
Animal Unit (A.U.)	The grazing capacity of land to properly sustain one animal and offspring, if any, for one year.
Balloon Payment	When credit is advanced by note or contract and payment is required in regular equal installments and the note or contract will mature before the note or contract is paid in full, a payment which may be larger than the regular payment will fall due. This larger payment is called a "Balloon payment".
Affidavit	A statement or declaration reduced to writing, and sworn to or affirmed before some officer who has authority to administer an oath or affirmation.
Agency	A legal relationship resulting from an agreement or contract, either expressed or implied, written or oral, whereby one person, called the agent, is employed by another, called the principal, to do certain acts in dealing with a third party.
Agent	Any person, partnership, association, or corporation authorized or employed by another, called the principal, to act for, on behalf of, and subject to the control of the latter. See Agency.
Alienation	The transfer of real property by one person to another.
Amenities	In real estate, amenities refer to such circumstances, in regard to location, outlook, or access to a park, lake, highway, view or the like which enhance the pleasantness or desirability of real estate and which contribute to the pleasure and enjoyment of the occupants.
Amortization	The liquidation or gradual retirement of a financial obligation by periodic installments.
Appraisal	In real estate, an estimate of the quality or value of property; the process by which conclusions of the value of property are obtained; also refers to the report setting forth the estimate of value together with the basis for such conclusions. See Valuation.
Appropriation of	A legal term designating the act or acts involved in the taking and reducing to personal possession of water occurring in a stream or other body of water, and of applying such water to beneficial uses or purposes.
Appropriator of	One who diverts and puts to beneficial use the water of a stream or other body of water, under a water right obtained through appropriation.

Bargain and Sale Deed	Any deed that recites a consideration and purports to convey the real estate. A bargain and sale deed with a covenant against the grantor's acts is one in which the grantor warrants that he himself has done nothing to harm or cloud the title.
Beneficiary	The person who receives or is to receive the benefits resulting from certain acts; one receiving benefits, profits or advantage; one for whose benefit a trust is created.
Bill of Sale	A written instrument by which one person transfers or conveys right, title or interest in personal property to another.
Blanket Mortgage	A single mortgage which covers more than one piece of property.
Building Code	Regulations established by local governments setting forth the structural requirements of buildings.
Caveat Emptor	"Let the purchaser beware." The buyer is duty-bound to examine the property he is purchasing and he assumes conditions which are readily known upon view.
Certificate of Reasonable Value	Commonly referred to as a "CRV". The Veterans Administration's certified appraisal of value of real property.
Certificate of taxes Due	A written statement or guaranty of the condition of the taxes on a certain property, made by the county treasurer of the county wherein the property is located. Any loss resulting to any person from an error in a tax certificate shall be paid by the county which such treasurer represents.
Chattel	Any item of property other than real estate, usually referred to as personal property; an item of movable property.
Check	See Quadrangle.
Cloud on the Title	An outstanding claim or encumbrance which, if valid, would affect or impair the title of the owner of the property.
Cognovit Note	Note containing a confession of judgment by the borrower.
Collateral Security	Often called simply "collateral." In banking phraseology, it means some security additional to the personal obligation of the borrower, as a chattel mortgage or trust deed.
Colorado Association of Realtors	The state association of real estate personnel whose goal is the professional advancement of the real estate industry and whose membership is comprised of the local real estate boards. Often abbreviated CAR.
Commingling	Mixing money belonging to others with personal or business funds.
Common Law	The principles and rules of law, originating from usage and custom, sanctioned by the courts and which are not dependent upon legislative

expression or enactment for their authority. Also that body of law, based on custom and usage, developed and formulated by the old English courts.

Community Property	Property, real or personal, which by state belongs equally to husband and wife; most specifically, property acquired by the husband and wife, or either, during marriage, by their industry and not by gift, said property belonging equally to husband and wife, Community property laws exist only in nine states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Oklahoma, Texas, and Washington state.
Condemnation	In real property law, the process by which property of a private owner is taken for public use, with compensation to the owner, under the right of eminent domain.
Condominium Ownership	The individual outright ownership of a single unit in a multi-unit property together with an interest in the common elements of that property.
Consideration	One of the essential elements of a contract. A promise or an act of legal value bargained for and received in return for a promise.
Construction Mortgage	A short-term mortgage used to finance the building of a structure.
Constructive Notice	Often called "legal notice". The conclusive presumption that all persons have knowledge of the contents of a recorded instrument.
Contract	An agreement, enforceable by law, between two or more competent persons, having for its object a legal purpose, wherein the parties agree to act in a certain manner.
Conventional Mortgage	A mortgage securing a loan made by private investors without governmental participation; that is, which is not FHA insured or VA guaranteed.
Conveyance	An instrument in writing by which some estate, interest, or title in real estate is transferred from one person to another, such as a deed or mortgage.
Coordinate System	A method of land description using measurements from an intersection of a defined north-south axis and a defined east-west axis.
Courses and Distances	A method of describing or locating real property. This description gives a starting point and the direction and length of lines to be run; practically indistinguishable from a metes and bounds description.
Covenant	A promise or agreement, usually in writing, whereby a party pledges or guarantees to another that something is done or shall be done, or stipulates for the truth of certain facts.
Cubage	The number or sum resulting by multiplying the width of a thing by its height and by its depth or length.
Cubic Foot Per Second	A unit of discharge for measurement of flowing liquid, equal to a flow of 1 cu. ft. per sec. past a given section. Also called Second-Foot

Cul-de-Sac	A passage way with one outlet. Streets in newer subdivisions are sometimes built in cul-de-sac fashion.
Curtesy	A common law estate in land given to the husband upon his wife's death, consisting of a life estate in all the property owned by the wife during the marriage, provided a child was born alive from their marriage. Abolished in Colorado.
Debenture	Bonds issued without specific security and are secured only by the overall equity of the issuer.
Declaration	It refers to condominium ownership and it commits the property to condominium development, defines complex and air spaces, the general common elements and limited common elements and establishes the basic right and obligations of the owners. In addition, it provides for the creation of the management association with the authority to collect common expenses and otherwise act for the benefits of all owners. It makes it possible for the assessor to tax each unit separately.
Dedication	An appropriation of land to some public use, made by the owner, and accepted for such use by or on behalf of the public, as streets in a platted subdivision.
Deed	A legal instrument in writing, duly executed and delivered, whereby the owner of real property (grantor) conveys to another (grantee) some right, title or interest in or to real estate.
Deed Restriction	A provision in a deed controlling or limiting the use of the land.
Default	The non-performance of a duty; the omission or failure to perform a legal duty; failure to meet an obligation when due.
Defeasible Fee	Sometimes called a base fee or qualified fee; a fee interest in land that is capable of being defeated or terminated upon the happening of a specified event.
Deficiency Judgment	The difference between the indebtedness sued upon and the sale price of the mortgaged property at foreclosure, where the sale price is less than the indebtedness.
Depreciation	The loss in value due to deterioration through ordinary wear and tear, action of the element functional or economic obsolescence.
Devise	A gift of real property by the last will and testament of the donor.
Documentary Fee	A Colorado State law requiring a fee of one cent for each one hundred dollars of consideration paid by the person recording an instrument of conveyance to the county clerk and recorder.
Donee	Receiver of a gift.
Donor	Giver of a gift.
Dower	A common law estate in land given to the wife in her husband's real property upon his death, consisting of a life estate in one-third of all the

	real estate owned by the husband during the marriage. Abolished in Colorado
Due-On-Sale Clause	A provision in a mortgage or trust deed which allows the lender to call a promissory note immediately due and payable in full upon the sale or transfer of a secured property. Allows the lender to raise the interest rate or demand other changes in terms upon assumption of the loan.
Duress	Forcing action or inaction against a person's will.
Earnest Money	Down payment made by a purchaser of real estate as evidence of good faith.
Easement	A right or interest in the real property of another. The right to use another's land for a specific purpose, as a right of way.
Economic Life	The period of time over which a property may be profitably used. It is reduced to a percent in the capitalization process. Example: 100% divided by 50 years equals 2% anticipated depreciation per year.
Equity	In real estate, the interest or value of the real estate over and above the amount of the indebtedness thereon.
Equity of Redemption	See Redemption.
Eminent Domain	The right of a government to take private property for public use upon the payment of just compensation. The legal proceeding by which the government exercises this right is called "condemnation proceedings".
Encroachment	The illegal intrusion of a structure, part of a building, or obstruction over or upon a highway, sidewalk or the property of another.
Escheat	The reversion of property to the state in the event the owner thereof dies without leaving a will and has no blood heirs or relatives to whom the property may pass by lawful descent.
Escrow	In real estate, it is the state or condition of a deed which is conditionally held by a third party, called escrow agent, pending the performance or fulfillment of some act or condition.
Escrow Agreement	A written agreement between two or more parties whereby the grantor, promisor or obligor delivers certain instruments or property into the hands of a third party, the escrow agent, to be held by said third party until the happening of a contingency of performance of a condition, and then to be delivered to the grantee, promisee or obligee.
Estate	In real estate, it refers to the degree, quantity, nature and extent of interest which a person has in real property; such as a fee simple absolute estate, and estate for years.
Estate at Sufferance	An estate in land arising when the tenant wrongfully holds over after the expiration of his term; the landlord has the choice of evicting the tenant as a trespasser or accepting such tenant for a similar term and under the

	conditions of the tenant's previous holding; often called a tenancy as sufferance.
Estate at Will	An interest in land terminable at the will of either the tenant or landlord; often called a tenancy at will.
Estate for Years	An interest in land for a fixed period of time, whether for a day or 99 years; often called a tenancy for years.
Estate from Period to Period	An interest in land where there is no definite termination date but the rental period is fixed at a certain sum per week, month or year, often called a periodic tenancy.
Et al	Abbreviation for et alius, meaning "and another".
Et ux	Abbreviation for et uxor, meaning "and wife".
Eviction	Dispossession by process of law; the act of depriving a person of the possession of lands, in pursuance of the judgment of a court.
Exclusive Agency Listing	A listing whereby the owner appoints one real estate broker as his sole agent for a specified period of time. The owner may sell the property to a buyer which he himself finds without paying the broker a commission.
Exclusive Right to Sell Listing	A listing whereby the owner appoints one real estate broker as his sole and exclusive agent for a specified period of time. No matter who sells the property, including the owner himself, the broker is entitled to a commission.
Execution	A writ issued by a court to the sheriff directing him to seize and sell property to satisfy a debt.
Executor	The person named in a will to carry out its provisions.
"Fannie Mae"	A common term used in real estate finance taken from FNMA (Federal National Mortgage Association). It provides a market for government secured mortgages held by primary lenders and provides them with a ready market so as to permit a greater turnover of money for loans.
Fee Simple Absolute	Often called a fee or fee simple; the most comprehensive ownership of real property known to the law, the largest bundle of ownership right possible in real estate.
Fee Tail	An estate or interest in land which cannot be conveyed but which must descend to the heirs of the holder. Abolished in Colorado.
F.H.A. insured Mortgage	A mortgage under which the Federal Housing Administration (FHA) insures loans made according to its regulations by approved lenders.
Fiduciary	Noun-A person who is in a position of trust in relation to another party; or a person in a confidential or trust position.
Fixture.	An article of personal property which has been installed in or attached to land or a building thereon, in a permanent manner, so that it is now considered to be a part of the real estate.

Foreclosure	A termination of the rights of the mortgagor in the property covered by the mortgage; a court process instituted by a mortgagee or lien creditor to defeat any interest or equity or redemption which the mortgagor or debtor-owner may have in the property.
General Warranty Deed	See Warranty Deed.
G.I. Guaranteed Mortgage	A mortgage under the Veterans Administration which guarantees the payment of a percentage of the loans and pays the lender any loss sustained up to the amount of the guarantee.
Grantee	A person to whom real estate is conveyed; the buyer.
Grantor.	A person who conveys real estate; the seller.
Grazing District-Taylor Grazing Act	An administrative subdivision of the range lands under the jurisdiction of The Bureau of Land Management, which has been established pursuant to Section 3 of the Taylor Grazing Act to facilitate management of their forage resources. Grazing on the public lands within such districts was formerly regulated by the Grazing Service.
Grazing Lease	A lease which authorizes the use of public lands outside of grazing districts (Taylor Grazing Act) for the grazing of livestock for a specified period of time.
Grazing Licenses	An authorization which permits the grazing of a specified number and class of livestock on a designated area of grazing district lands for a specified period of time, usually not in excess of one year.
Grazing Permit	An authorization which permits the grazing of a specified number and class of livestock on a designated area of grazing district lands during specified seasons each year for a period of usually 10 years.
Grazing Preference on National Forest	An established preference to graze certain numbers and classes of livestock upon a National Forest for a specified time and subject to rules and regulations adopted by the Forest Service.
Ground Water	A previous formation with sides and bottom of relatively impervious material, in which ground water is held or retained. Also called Subsurface Water Basin.
Holdover Tenant	A tenant who remains in possession of leased property after his lease has expired.
Homestead Exemption	Often called "homestead or "homestead right"; a right given by statute to a householder or head of family to designate real estate as his homestead and said homestead is exempt, up to a stated amount, from execution by his creditors. In Colorado, the homestead exemption is up to \$45,000.00.
Indemnify	To insure; to secure against loss.
Installment Land Contract.	Often called a land contract or an installment contract; an agreement for the purchase of real estate upon an installment basis, the deed to the

property is not given to the purchaser until either all or a certain portion of the purchase price is paid.

Inter Alia	(Latin) meaning "among other things".
Intestate	When a person dies without leaving a will.
Joint Tenancy	A type of co-ownership of real property, held by two or more persons with all co-owners being equally entitled to the use, enjoyment, control and possession of the land and with the right of survivorship.
Judgment	The final determination of the rights of the parties by a court in an action before it.
Land	Real property; the surface of the earth and that which is affixed to it permanently, that which is below it, and the space above it; synonymous with "real property A", "realty", and "real estate". Sometimes used to mean only the unimproved surface of the earth.
Land Economics	That branch of economics which deals with the classification and utilization of land or real estate.
Lease	An agreement under which a tenant receives the possession and use of real property for a certain period of time and the landlord receives the payment of rent and/or the performance or other conditions.
Leasehold	An estate or right in real property held under a lease.
Legal Description	A description recognized by law which is sufficient to locate and identify the property without oral testimony.
Lessee	The party who possess a right or estate in realty, holding under a lease; also commonly referred to as the tenant.
Lessor	The party who conveyed a right or estate in realty to the lessee under a lease; commonly referred to as the landlord.
Lien	A right given by law to a creditor to have a debt or charge satisfied out of the real or personal property belonging to the debtor.
Life Estate	An estate or interest in real property which is held for the duration of the life of some certain person.
Lis Pendens	A public notice, filed against specific lands, that an action at law is pending that may affect the title to the land.
Listing	An agreement or contract of employment, either oral or written, whereby the owner authorizes the real estate broker to sell, exchange or lease real estate.
Marketable or	A title which is free from reasonable doubt of defect which can be readily

Merchantable Title	sold or mortgaged to a reasonably prudent purchaser or mortgagee; a title free from material defects or grave doubts and reasonably free from possible litigation.
Market Value	The price, in terms of dollars, which a ready and able buyer, not forced to buy, would pay and which a ready and willing seller, not forced to sell, would accept, assuming further that both parties are fully informed, act reasonably, and have sufficient time to consider the transaction with due care.
Mechanic's Lien	A lien created by statute which exists against real property in favor of persons who have performed work or furnished materials for the improvement of the real estate.
Metes and Bounds	A method of describing or locating real property; metes are measures of length and bounds are boundaries. This description starts with a well-marked point of beginning and follows the boundaries of the land until it returns once more to the point of beginning.
Mill	One-tenth of one cent. A tax rate of one mill on the dollar is the same as a rate of one-tenth of one percent of the assessed value of the property.
Mortgage	A conditional conveyance of property as security for the payment of a debt or the fulfillment of some obligation. Upon payment of the debt or performance of the obligation the mortgage becomes void.
Mortgagee	The party to whom the property is conveyed under a mortgage as security for the repayment of a loan or fulfillment of some obligation.
Mortgagor	The party who, by a mortgage, conveys his interest in the property as security for his obligation to repay a loan or fulfill some obligation.
Multiple Listing Service	An arrangement among real estate brokers whereby they share their listings. The commission is divided, according to previous agreement, between the listing broker and the selling broker.
Mutual Assent	One of the essential elements of a contract, often called Meeting of the Minds; the agreement of the parties to the contract, mutually consenting to be bound by the exact terms thereof.
National Association Of Realtors	A national association of real estate personnel whose goal is the Professional advancement of the real estate industry and whose membership is comprised of state and local real estate boards. Often abbreviated NAR.
National Forest	A forest or watershed reservation which is administered by the Forest Service, United States Department of Agriculture.
Negotiable Instrument	A written instrument signed by a maker or drawer, containing an unconditional promise to pay a certain sum of money, which can be passed freely from one person to another.

Net Listing	A listing contract whereby the owner is to receive a certain net price. The broker receives the excess over and above the net price as his commission.
Note	A written instrument acknowledging a debt and promising payment.
Obsolescence	Impairment of desirability and usefulness of the property resulting from economic, functional, physical fashion, or other changes.
Offer	A promise to act in a certain manner provided the other party will act in the manner requested.
Offeree	One to whom an offer is made.
Offeror	One who makes an offer.
Open listing	A listing whereby the owner lists his property with the broker at a specified price, agreeing to pay a commission on that price or any other price acceptable to him. The owner retains the right to list the property with other brokers.
Option	A temporary right for a designated period of time that one person has to purchase or lease property at a certain price, for which a consideration is paid.
Optionee	One to whom an option has been granted.
Optionor	One who has granted an option to another.
Party Wall	A wall erected on a line between adjoining properties for the use of both properties.
Patent	An instrument of conveyance of land owned by the government to an individual.
Percentage Lease	A lease of property in which the rental is based upon the volume of sales made upon the leased premises.
Percolation Test	A soil test to determine if soil will take sufficient water seepage for use of a septic tank.
Periodic Tenancy	See Estate from Period to Period.
Personal Property	Generally, all things which are not real property; things of a temporary or movable nature.
Personalty	See Personal Property.
Police Power	The inherent right of a government to enact such legislation as may be deemed necessary to protect and promote the health, safety and general welfare of the public. (The License law is supported by this legal theory.)

Power of Attorney	A legal instrument which authorizes another person to act, either a specific act or generally, in the stead of the person drawing the instrument.
Principal	Any person, partnership, association or corporation who authorizes or employs another, called the agent, to do certain acts on his behalf. See Agency.
Principal Note	The promissory note which is secured by the mortgage or trust deed.
Property	The rights of ownership; the right to use, possess, enjoy, and dispose of a thing in every legal way and to exclude everyone else from interfering with these rights. Property is generally classified into two groups; personal property and real property.
Public Trustee	The public official in each county, whose office has been created by statute to whom title to real property is conveyed by Trust Deed for the use and benefit of the beneficiary, who usually is the lender.
Purchase Money Mortgage	A mortgage given by the purchaser to secure a loan for part or all of the purchase price. Such a mortgage becomes a lien on the property simultaneously with the passing of title, and if immediately recorded becomes prior to any lien against the purchaser.
Quadrangle	A tract of land in the U.S. Governmental Survey System measuring 24 miles on each side of the square. Sometimes referred to as a "check".
Quiet Title Suit	An action in court to remove a defect, cloud or suspicion regarding the legal rights of the owner to the parcel of real estate.
Quitclaim Deed	A deed in which the grantor warrants nothing, and conveys only the grantor's present interest in the real estate, if any.
Range	A six-mile wide strip of land which runs in a north-south direction. Ranges are determined by government survey and are numbered in numerical order east or west of a principal meridian.
Real Estate	Real property, realty, land. See Land and Real Property.
Real Property	Land; the surface of the earth and whatever is erected, growing upon, or affixed to the land; including that which is below it and the space above it. Synonymous with "land", "realty", and "real estate".
Realtor	The term is a copyrighted trade name which can be used only by those persons belonging to the National Association of Realtors.
Realty	Real property, land real estate. See Land and Real Property.
Receiver	A court appointed custodian who holds property for the Court, pending final disposition of the matter before the Court.

Recording	The act of writing or entering an instrument in a book of public record, usually in the office of the county clerk and recorder. Such recording constitutes notice to all persons of the rights or claims contained in the instrument. This type of notice is called "constructive notice" or "legal notice".
Rectangular Survey System	See U.S. Government Survey System.
Redemption	The right of an owner to redeem or reclaim the real estate by paying the debt or charge (such as mortgage or tax lien) after default, together with interest and costs. More correctly, equity of redemption refers to the right to redeem the property after default but before foreclosure. The statutory right of redemption refers to the right to redeem the property after foreclosure. The statutory right of redemption refers to the right to redeem the property after foreclosure, or other enforcement action, during a certain period of time specified by statute. For example, in Colorado, the mortgagor has the statutory right to redeem his property any time within six months for agricultural property (75 days for platted residential dwellings) after a mortgage foreclosure or three years after a sale for delinquent property taxes.
Reference to Plat	A method of describing or locating real property by means of referring to a map of a subdivision, usually recorded in the office of the county clerk and recorder.
Release	The relinquishment or surrender of a right, claim, or interest.
Release of Lien	The discharge or release of specific property from the charge or lien of a judgment, mortgage or other claim.
Restrictive Covenant	A clause in a deed limiting the use to which the property may be put.
Right of Survivorship	A characteristic of a joint tenant; upon the death of one of the tenants, his right in the property pass automatically to the surviving tenant or tenants.
Right of Way	An easement or right of passage over another's land; the strip of land used as roadbed by a railroad or used for a public purpose by other public utilities.
Seisin	Possession of real estate by one entitled to it.
Special Assessment	See Assessment.
Special Warranty Deed	A deed in which the grantor warrants or guarantees the title only against defects arising during his ownership of the property and not against defects existing before the time of his ownership.
Specific Performance	A remedy with the court will grant, in certain cases, compelling the defendant to perform or carry out the terms of a valid, existing agreement or contract.
State Lease	An agreement between the State of Colorado and other parties for the use of lands under the jurisdiction of the State Board of Land Commissioners for grazing, agriculture and other lawful purposes.

Statutory Right of Redemption	See Redemption.
Subordination Clause	A clause in a mortgage or lease stating that the rights of the holder shall be secondary or subordinate to a subsequent encumbrance.
Surrender	In leases, it is the cancellation of a lease by mutual consent of lessor and lessee.
Survey	The process by which a parcel of land is measured and its area ascertained.
Taylor Grazing Act	See Grazing District.
Tenancy at Sufferance	See Estate at Sufferance.
Tenancy at Will	See Estate at Will.
Tenancy in Common	A type of co-ownership of real property; a holding of an estate in land by two or more persons, each being entitled to possession of the property according to his proportionate share; distinct from a joint tenancy in that there is no right of survivorship in a tenancy in common.
Testate	When a person dies leaving a will.
Time Share	An interval interest in real estate whereby ownership or occupancy rights circulate among the various interval owners. Ownership may be with fee simple (deeded) or "right-to-use" (contractual or membership).
Title	In real property, it is the right, or evidence of the right, to property.
Title Insurance	A policy of insurance which indemnifies the holder for loss sustained by reason of a defect in the title, provided the loss does not result from a defect excluded by the policy provisions.
Torrens System	A system by which the Registrar of Torrens keeps and maintains title records pertaining to real property located in the county.
Tort	A negligent or intentional wrong acted on another where the law will grant money damages in a civil action.
Treasurer's Deed	A deed for property sold at public sale or debtor conveys title to his property to a Trustee, usually Public Trustee, who holds the title for the protection of a lender or creditor as a pledge or a security for the repayment of the loan or debt described in the instrument.
United States Government Survey System	Often called the rectangular survey system; a method of describing or Locating real property by reference to the governmental survey.
Usury	Charging more than the legal rate of interest for the use of money.
V.A. Guaranteed Mortgage	See G.I. Guaranteed mortgage.
Vendee	A buyer.

Vendor	A seller.
Waiver	Abandonment of some claim or right.
Warranty Deed	Often called a general warranty deed; a deed in which the grantor warrants or guarantees the title to real property against defects existing before the grantor acquired title or arising during the grantor's ownership.
Writ of Execution	A writ or court order authorizing and directing an officer of the court, usually the sheriff, to carry into effect the judgment or decree of the court.