



THE TITLE COMMITMENT

The Title Commitment is a commitment to issue a title insurance policy. It is broken down into four parts or schedules and they are:

Schedule A – “A” is for “Actual Facts”

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

Schedule B – “B” is for “Buyer Notification”

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

Schedule C – “C” is for “Clear to Close”

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

Schedule D – “D” is for “Disclosure”

This final section outlines all parties who will collect any part of the insurance premium including Underwriters, Title Agents and Attorneys. It will also show the amounts being paid for the owner’s title policy, the mortgage company’s amount and any endorsements.