



A Deed is a Deed

All deeds transfer title from grantor (seller) to grantee (buyer) as long as the deed contains the word “convey”. Deeds differ in the warranties (or promise) they contain and not whether or not they convey title. A warranty is a promise from the seller stating that title to the property being conveyed is clear from other interests and encumbrances.

Statutory Warranty Deed

This type of deed warrants the condition of title. The seller promises the buyer they are the true owner of the property and have the right to convey it to the buyer, subject to any exceptions that are to show on the deed. What this means is that the buyer has recourse against the seller should any of the promises be untrue.

Bargain and Sale Deed or Special Warranty Deed

This type of deed warrants the condition of title only to matters that happened while the seller was the owner of the property. Banks often use this kind of deed when selling property they obtained through a foreclosure. For example, when a bank obtains the property in March 2016 and then sells the property in July 2016, the warranties contained in this type of deed are only for matters that happened during their 4 month period of ownership.

Quit Claim Deed

This type of deed contains no warranties at all; it conveys whatever interest you have, if any, in the property to the grantee.

Did you get Title Insurance?

A title policy protects you from any loss or damage if any unknown party or lien holder claims an interest in your property. An example of an unknown interest would be a deed that was not executed by all the owners of the property or a deed that was forged by the grantor. Encumbrances that were not paid at closing or were unknown at closing would also remain as a lien on your property. While your deed may limit your recourse against the seller, your title policy will protect you from these matters.