

TITLE INSURANCE TERMS

What You Should Know

Grasping the terminology of Title Insurance is crucial for successfully navigating real estate transactions. Here's a brief guide to some key concepts you should familiarize yourself with.

ABSTRACT OF JUDGMENT

A brief summary of a court-issued money judgment. Once recorded in the county records, it becomes a lien on any property the debtor currently owns or later acquires within that county.

CC&RS

These are Covenants, Conditions, and Restrictions established to maintain consistency within a community and may influence how the property is used and enjoyed.

ENCUMBRANCE:

A legal claim or right on a property that doesn't prevent its sale or transfer, like taxes, mortgages, or other liens.

F/C

Stands for Free and Clear

INDEMNITY AGREEMENT

A contract signed by an owner or contractor to encourage the title company to assume additional risk on behalf of a third party, often the lender.

LEGAL DESCRIPTION

A formal, legally recognized description of a property's boundaries, usually based on recorded maps or official surveys.

NACRC

National Association of County Recordors and Clerks

LIS PENDENS

An official notice recorded at the county office indicating that a lawsuit is underway that may impact the title or possession of a property.

P.I.Q.

Refers to the Property in Question

PRELIM

Abbreviation for Preliminary Report, a document prepared by the title company indicating readiness to issue a title insurance policy.

TILA

Truth in Lending Act is a federal law that requires lenders to clearly disclose loan terms and costs, helping consumers compare credit options and avoid deceptive practices.

QUIET TITLE

A legal action intended to resolve ownership disputes or eliminate claims against a property title.

VESTING

Refers to the legal manner in which property ownership is held or recorded.

VOE

Verification of Employment