

LTAC BEST PRACTICES

REGARDING SECTION 13.1 OF THE 2019 CONTRACT TO BUY AND SELL REAL ESTATE

- 1) The 2019 mandatory Contract to Buy and Sell Real Estate (Residential) (“Contract”) and forms go into effect on January 1, 2019. Specifically, Section 13 “Transfer of Title” and sections 13.1; 13.2; 13.3, of the new Contract will affect how our industry prepares the deed.
 - a) If 13.2 “Special Warranty Deed” is selected, it will be necessary to determine those exceptions to title arising by, through, or under the seller and reference them in an exhibit attached to the Special Warranty Deed.
 - b) If 13.3 “General Warranty Deed” is selected it will be necessary to refer to the recorded documents, shown as exceptions in the Title Documents, in an exhibit to the General Warranty Deed.

- 2) The following notice appears on the current ALTA commitment:

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY’S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

- 3) As a result of number 1 and 2 above, LTAC recommends the following industry best practice:
 - a) Confirm in writing who will provide the instructions for the deed preparation including the exceptions to be added.
 - b) Obtain an acknowledgment signed by the buyer, seller, listing agent and selling agent (hereinafter referred to as “All Parties”) that contains at least the following information:
 - i) An acknowledgment that All Parties have reviewed and approved the deed, and agree to the title matters listed in the exhibit attached to the deed, and understand it may or may not describe all matters affecting the title to the property conveyed by the deed.