



# Common Title Terms You Will Want to Know

Below is a list of common title terms and their definitions. Keep this handy to use when reviewing a Preliminary Title Report.

- **Mechanic's Lien:** A statutory lien in favor of persons contributing labor, material, supplies, etc. to a work of improvement upon real property. A release must be recorded to be removed.
- **Notice of Action:** A lis pendens. A proceeding in a court of justice by which one party prosecutes another for the enforcement or protection of a right.
- **Bankruptcy:** A proceeding in the U.S. Bankruptcy Court wherein assets of a debtor (unable or unwilling to pay debts) are applied by an officer of the court in satisfaction of a creditors claim.
- **Uninsured Deed:** A deed that has been recorded that is believed to not have been checked as to its validity. Additional information may be needed before passing title.
- **Vesting:** It is the ownership or title to an estate.
- **Legal Description:** The description of the land covered by the preliminary report.
- **Taxes:** The amount and status of past unpaid real estate taxes, if any, and current year's taxes, paid or unpaid, or taxes which are a lien but not yet payable.
- **Bonds:** Bonds or assessments, if any, levied at the inception of construction of improvements such as streets, gutters, sidewalks, etc.
- **CC&Rs:** Covenants, conditions, and restrictions are limitations sometimes put on the use and enjoyment of real property, such as limiting the property to a single family or to a one-story dwelling.
- **Easements:** An easement is a right, in favor of others, to use in the land for specific purposes such as public utilities, roads or ingress and egress.
- **Deed of Trust:** A deed of trust conveys title to particular land to a neutral third party (trustee) with limited powers (such as power of sale) for the purpose of securing a loan (debt).
- **Assignment:** An assignment of the beneficial interest under the deed of trust from one beneficiary to another.
- **Trustor:** The borrower, owner and guarantor of the property conveyed in a deed of trust.
- **Beneficiary:** The lender on a deed of trust is referred to as the beneficiary.
- **Trustee:** Is the neutral third party in the deed of trust with limited powers. When the loan is paid in full, the property is reconveyed by the trustee back to the person or persons legally entitled to the land, or if delinquent, the property will be conveyed pursuant to non-judicial foreclosure proceedings, to the highest bidder in a public sale.
- **Abstract of Judgment:** Imposes a lien on all real property owned or subsequently acquired by the debtor until satisfaction or expiration of the lien.
- **Statement of Information:** This information statement is confidential and is used to enable the title company to eliminate title problems which may arise through similarity of the name of the Seller or the Buyer with the name of another person against whom there may be judgments, tax liens, and other matters affecting property ownership.