

12 resolutions for common transaction file problems.

Issue – Paid unreleased loans

Resolution – Research must be done to determine the circumstances surrounding the lack of release. Is the debtor or creditor/beneficiary still holding the original note and deed of trust? Did the beneficiary ever prepare the request for reconveyance? Were the documents ever submitted to the Trustee of the Deed of Trust? Does the borrower have proof of payment?

Issue – Seller not vested in title

Resolution – Depends on the vesting situation. Contact your Stewart account manager or title officer.

Issue – Seller is deceased

Resolution – Obtain a death certificate for the deceased. Probate can be resolved using a copy of a community property agreement, copy of last will and testament, probate affidavit or, in some cases, deeds from potential heirs.

Issue – Property over-encumbered

Resolution – Start with an escrow-prepared estimated closing statement that shows a shortfall. If you have a buyer willing to wait through the process, in some cases, debtors will negotiate lower payoffs to facilitate the transaction.

Issue – Federal tax liens

Resolution – Payoff and release must be obtained from the IRS.

Issue – Judgments against seller or buyer

Resolution – If judgment is against the seller, it must be paid from proceeds or a release of judgment must be obtained from the creditor(s). If against the buyer, it must be addressed by the buyer with the lender.

Issue – State warrant/state tax liens

Resolution – Payoff and releases must be obtained from the appropriate state agency.

Issue – Pending lawsuits

Resolution – The lawsuits may need to be resolved before the transaction can close. Sometimes a monetary hold back can be arranged. Talk to your Stewart account manager or title officer.

Issue – Housing code violations

Resolution – Violation usually needs to be corrected and appropriate releases obtained from the building department.

Issue – Mechanic's liens

Resolution – Lien paid to closing and/or release of lien obtained from the lien claimant's attorney. Sometimes a monetary hold back can be arranged.

Issue – Numerous matters of record against people with a similar name(s)

Resolution – Principles complete statement of identity/ID affidavit.

Issue – Seller is a partnership, LLC, corporation or trust

Resolution – Agreements creating legal entity must be reviewed by title and escrow.

Contact us today to learn more about how to ensure a smooth transaction, title insurance and why Stewart is the right underwriter for you.