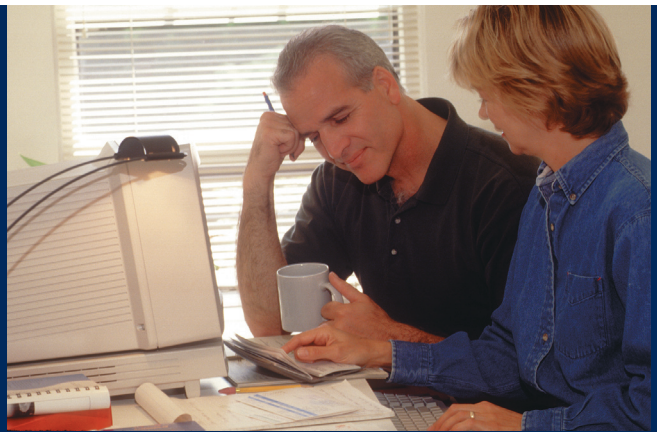


8 Important things

to look for in a preliminary title report.



Below are 8 things to look for in a preliminary title report that can help you avoid any future headache's.

1. VESTING - if title doesn't include a name, look for a real estate contract as an exception in the pre-lim report. If there is none, check legal description to make sure that the property in the pre-lim is the same as that shown in the purchase and sale agreement.

2. TAXING AND ASSESSMENTS - look for an exemption designation that would change the tax amount as a result of the sale, then disclose this to the buyer.

3. DEAD OF TRUST - Deeds of Trust that are paid off but not reconveyed require a reconveyance from the trustee or a court order to remove it from the record. Upon proof of payment, the title company may insure around the encumbrance.

4. IDENTITY MATTERS - Judgements and Liens may be eliminated with an identity affidavit, commonly known as Statement of Information, if they do not affect the party in question. If they do affect the party buy have been paid and not satisfied, a release must be obtained and recorded or filed to eliminate these matters.

5. PENDING ACTIONS - A civil action affecting real property will generally have to be dismissed before title to the land can be insured. Please check with your Title office for details.

6. JOINT USE MATTERS - Driveways, party walls and access easements may prompt a lender to require a joint maintenance agreement.

7. EXTENDED COVERAGE MATTERS - If a physical inspection of the property discloses encroachments, lien rights or other matters, these must be addressed before the lender will close.

8. LEGAL DESCRIPTION - The legal description should always be compared to the legal description in the purchase and sale agreement to be sure that all the property being conveyed has been included in the preliminary title report.