

# THE ABC'S OF THE TITLE COMMITMENT

The Commitment for Title Insurance is the preliminary document issued by the Title Company that contains the conditions and requirements under which a title policy may be insured. It is a state promulgated form and may only be revised as indicated in the rules and regulations promulgated by the State. The four "Schedules" or sections of the Commitment are shown below:

## SCHEDULE A - ACTUAL FACTS

Schedule A outlines the facts including:

- Effective date of commitment
- Name(s) of proposed insured(s) (Owner & Lender)
- Proposed amount of title insurance coverage
- Current record owner of the property
- Legal description of the property to be insured

### TIP:

Read Schedule A and confirm that all information is accurate including spelling and name abbreviations. The names should reflect the buyer's legal name.

## SCHEDULE B - BUYER NOTIFICATION & EXCEPTIONS

Schedule B outlines the specific details of the property to be insured as well as exceptions to coverage that are not insured, including:

- Restrictions
- Taxes
- Easements
- Mineral Reservations/Leases
- Area and Survey Discrepancies
- Rights of others

### TIP:

Review Schedule B carefully as the items in this section can affect property use and access. Title objections must be submitted in writing according to the provisions of the contract.

## SCHEDULE C - CLEAR TO CLOSE

Schedule C of the Title Commitment identifies any items that must be resolved prior to closing such as:

- Liens
- Bankruptcies
- Marital Status Issues
- Probate Issues
- Entity/Trust Issues

### TIP:

Read Schedule C and provide your Closer with information or assistance in resolving the items prior to closing. A title company is not permitted to provide legal counsel regarding the Title Commitment. If you have any legal questions, please refer to Rattikin & Rattikin or an attorney of your choice.

## SCHEDULE D - DISCLOSURE

Schedule D is simply a disclosure of information about owners, directors, officers and underwriters required by Texas state rules and regulations. Additionally, it outlines title policy amounts.

### TIP:

Reading and understanding the Title Commitment is paramount to the success of your closing.