



WHAT IS A QUITCLAIM DEED?

Why you might someday want a quitclaim deed:

The process of buying a home can be complex, particularly when the home is currently owned by more than one person. One of the ways in which property can change hands is by a quitclaim deed, a legal document that is commonly used when several members of a family own a property. You may find that the seller or property agent presents you with a quitclaim deed or you may have been advised to ask for such a deed. Your insurance company, with whom you are looking to insure your new home, might also require this deed. It is therefore worthwhile to familiarize yourself with this type of deed and how it can be prepared.

Definition of a quitclaim deed:

A quitclaim deed is a legal document for transferring any ownership claim, interest, right or title a person or entity (the "grantor") may have in a property, such as a house, to someone else (the "grantee").

Unlike a warranty deed, which confirms that the grantor owns the title to the property, the quitclaim deed does not confirm the grantor's ownership interest in the property but simply states that if they do have an ownership claim, they agree to quit that claim. Therefore, when a grantee accepts a quitclaim deed when buying a property, they also accept the risk that the grantor may not have actually owned the property or that there may be others who own the property. The main benefit of this type of deed is that it prevents the grantor from later claiming an interest in the property.

When is a quitclaim deed used?

One of the main instances in which a quitclaim deed is used is to transfer ownership of a property among family, such as between parents and children or among siblings. It is also commonly used to add or remove a spouse from the property title, particularly as a result of marriage or divorce. For instance, if a partner receives the family home in a divorce decree, the other partner would enact a quitclaim deed to remove their own interest in the property.

These deeds are also used by corporations when transferring property between closely related entities, and when a property is being transferred into a family trust. In addition, when an insurance company looking to ensure a property finds a "cloud" in the title, where it is uncertain whether someone has an ownership stake, the company can ask the person to quit their possible claims via a quitclaim deed.

Elements of a quitclaim deed:

While the exact composition of quitclaim deeds differs from state to state and county to county, there are common elements, including:

- The title
- The date of execution
- Who the grantor and grantee are
- The Habendum, which describes the transfer of ownership rights
- The Consideration, which describes what the grantee gives to the grantor in return for the rights
- A legal description of the property and signatures

Basics of preparing a quitclaim deed:

Preparing a quitclaim deed is fairly straightforward. First, find out the relevant county's requirements for such a deed. (This information is often available online.) Then, if possible, acquire a sample deed form. You will need to obtain the information relevant for completing the sections of the deed that are mentioned above, particularly the legal description of the property.

Once you have completed the form, meet the grantor at the office of a notary public where the notary will witness the signing. After having the deed notarized and photocopied, record the deed at the county's clerk and recorder's office. While recording the deed is not required by law in all states, it is advisable in order for you to be protected from future claims on the property's title.



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