

THE GRANT DEED VS. QUITCLAIM DEED

DEEDS OF CONVEYANCE

When you sell or buy real property, the transfer of that property is executed through a deed. A deed is basically a legal instrument that transfers ownership of the property to a new owner. *Note, deeds are different than title- title is the ownership of rights to property (also known as an interest in the property), and you may have full or partial interest.*

There are many different types of deeds, but the most popular ones are **Grant Deeds** and **Quitclaim Deeds**.

So what is the difference between grant deeds and quitclaim deeds?

1 The Grant Deed Provides a Limited Warranty of Title

With a Grant deed, the person transferring the property guarantees that he or she has done nothing that would cause title problems, but makes no guarantees about what might have happened before he or she acquired the property. Grant deeds are often used:

- To transfer property to a trust
- To transfer property to a business
- For sales of multi-family residential or commercial property
- To transfer property to a new owner that is purchasing title insurance on the

A Grant deed requires special language to ensure that the deed qualifies as a Grant deed. In deed language, the “grantor” is the person or entity who grants the property and signs the deed; the “grantee” is the one who receives the interest in the property.

2 The Quitclaim Deed

A quitclaim deed terminates any interest in the real estate described in the deed which may be held by the named person (grantor) signing and delivering the quitclaim deed. Unlike a grant deed, a quitclaim deed operates to release to the grantee all interest the grantor may hold in the property. Quitclaims are most often used:

- In divorce situations to deed a marital property from one spouse to the other.
- If a married person holds title to a property as its sole and separate owner, such as if she acquired the property before marriage, the spouse who is not in title might be asked to sign a quitclaim deed to ensure that she doesn't later try to lay claim to the property.

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SIMILARITIES



VS

DIFFERENCES



Both deeds must contain similar types of information: a legal description of the property, name or names of the parties transferring the property, a statement indicating the property is being transferred and the signature of the person granting or giving up the property.

The most significant difference between grant deeds and quitclaim deeds is the level of guarantee. In a grant deed, the grantor (the person selling or transferring the property away) states the property has not been sold to anyone else and that the property title is not challenged or otherwise encumbered (except to the extent already disclosed). There is no guarantee in a quitclaim deed. The person signing this document is not called a grantor and he may not in fact even have had any actual interest in the property.

Contact your Ticor Title Representative for more information

