

The preliminary report should **ALWAYS** be reviewed in its entirety. A quick scan could cause you to miss important information that could delay the close of escrow. In most cases, when liens or clouds on title are discovered early in the process the Title Officer can work with the parties to the transaction to resolve these matters and prevent escrow delays. The key is for all parties in the transaction to review **ALL** exceptions and informational notes and communicate with their Escrow Officer and Title Officer. The role of the Escrow Officer is to obtain and follow instructions from all parties involved in the transaction.

The following is a list of highlights that you should be reviewing on every Preliminary Report

- ⦿ Do the names on the property match the names on the contract?
- ⦿ Have you reviewed the legal description to see the description of the land covered in the Preliminary Report?

EXCEPTIONS PAGE

(ORT Prelims are typically **HYPERLINKED** for your convenience)

The Preliminary Report will show the payment status of property taxes and supplemental taxes. Does the seller confirm that this is correct or have additional payments been recently made?

- ⦿ Review the Preliminary Report for any easements.
*Copies of recorded easements are **HYPERLINKED** when available or recorded copies can be ordered through your Escrow Officer.*
- ⦿ Are there recorded CC&R's on the property? Have your clients reviewed the CC&R's?
- ⦿ Are there any Deeds of Trust listed on the Preliminary Report?
If a Deed of Trust appears this could mean that the Deed of Trust has not been reconveyed. If the loan secured by this Deed of Trust has been paid in full contact your Escrow Officer immediately.
- ⦿ Are we missing any Deeds of Trust?
If the seller is aware of an active loan secured by a Deed of Trust that is not on the Preliminary Report contact your Escrow Officer immediately.



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- ⦿ Are there any other liens and encumbrances?
IRS, State Franchise Tax Board, mechanics liens, family support judgments, etc. all take time to clear through escrow and your Escrow Officer will likely need the cooperation of the homeowner. If not addressed immediately these items could delay the close of escrow.

INFORMATIONAL NOTES

- ⦿ The property type is listed to aid ORT in issuing the appropriate policy of title insurance and endorsements
A lender will typically want to verify the property type (SFR, 1-4 Family, PUD etc).
- ⦿ Is there a requirement for a Statement of Information?
A Statement of Information is required when the title department cannot clear the seller of any liens based on their name. It is important that this information be returned to the Escrow Officer immediately to avoid any escrow delays.

ASSESSOR'S PARCEL MAP (Provided for informational use only. This is neither a plat nor a survey, it is furnished merely as a convenience to aid you in locating the land indicated hereon with reference to streets and other land.)

- ⦿ Does this match your understanding of the property under contract? Dotted lines could indicate easements although not all easements are shown on the Assessor's Parcel Map.

A Preliminary Report is not a policy of title insurance. The issuing company assumes no liability for any reliance thereon. It is important to note that a Preliminary Report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

For more information ask us about our informational classes "Exploring the Preliminary Report" and "Escrow Red Flags"

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