

TITLE TIP 7

10 Common Title Problems

While there are a number of things that can cloud a title, here's a look at some of the most common title problems:

- **Easements:** An easement is when some other party has the right to use your property for some specific purpose. The government could have a right to work on utilities there, or schoolchildren may have the right to pass through your side yard because the school building is just on the other side. An unknown easement can create title problems for your property if it is not discovered and discussed ahead of a closing.
- **Encumbrances:** This is a broader category that includes easements but also deed restrictions, encroachments and licenses. Anything that prevents a title from classification as free and clear is considered an encumbrance.
- **Disputes:** Records of properties are made over time. Occasionally, these records present different facts, which can lead to boundary and survey disputes. Any time conflicting records lead to boundary or survey disputes, the owner's claim to at least a portion of the property is suddenly at risk.
- **Wills:** An unknown will discovered after the conveyance of a property could put the new owner's right to the property at risk.
- **Impersonation:** If at any point a property was sold by someone impersonating the owner, that impersonation clouds the title and could put your claim to a property at risk. What does cloud on title mean? It means the title is not free and clear — and that the person occupying it cannot transfer the title until the cloud has been lifted.
- **Forgery:** Similar to impersonation, if documents are forged in any way, that could also cloud the title and put your claim to a property at risk. In cases of both impersonation and forgery, a crime has been committed. Although you're not the victim, your life and interest are certainly affected.
- **Deeds:** Deeds can sometimes be illegal. How? If someone signed a deed when they were of unfit mind, if they were under 18 or if he or she was an illegal alien, problems can arise. Each of these cases can create a deed issue that affects free and clear ownership of a property.
- **Liens:** A lien is when someone can make a claim to your property in certain situations. For example, if a loan is secured on your home, the lender can have a lien on the property. Sometimes unknown liens create title problems during a home transaction. Perhaps a prior owner never paid a debt, and some lender or creditor still has a lien on the property.
- **Errors:** Sometimes it's human error that creates a title problem. A misspelled name or a misentered number can create errors in public records that could create issues for your property's chain of title. When errors in public records come up, it can occasionally cost money to remedy.