Fidelity National Title

What is a Land Contract?

A land contract is an installment contract in which the Seller finances the purchase. The seller maintains the deed until satisfaction. It is comparable to owner financing. The buyer gives the Seller a down payment and the Seller acts as a Bank; financing the balance of the purchase or sale price. The interest rate is negotiated by the parties.

Installment Land Contracts are sometimes referred to as ILC's or Agreements for Deed. They can be created on or used on most types of property: Residential, Land Only, Mobile Home with Land, Commercial, Mixed Use.

DURING THE COURSE OF A LAND CONTRACT:

The Buyer has possession of and equitable title to the property while the Seller holds legal title.

If desired, the Buyer may assign and convey his/her (Buyer's) Interest in this Contract or any part thereof, provided, however, that such assignment or conveyance shall not impair the Seller's security in the Premises.

Once the contract is in effect and for the duration thereof, the Buyer is responsible for all taxes and assessments.

The Seller conveys legal title by way of a Deed to the Buyer when the agreement is satisfied: "...by good and sufficient Grant Deed, convey the Premises to Buyer on the conditions herein agreed, free and clear of any liens or encumbrances other than taxes and assessments for the current year..."