Fidelity National Title

Grant Deed vs. Quitclaim Deed

WHAT'S THE DIFFERENCE?

DEEDS ARE DOCUMENTS THAT PASS REAL ESTATE FROM A CURRENT OWNER TO A NEW OWNER. THIS IS NOT A CONTRACT OF SALE WHERE MONEY CHANGES HANDS WHEN OWNERSHIP CHANGES. A DEED IS A DOCUMENT THAT CONVEYS OWNERSHIP WITHOUT EXCHANGING ANYTHING EXCEPT THE PROPERTY DESCRIPTION, LOCATION, NAME OF PREVIOUS OWNER AND NAME OF NEW OWNER.

GENERAL FACTS

All-Inclusive Document

In acknowledgement of the transfer of a piece of property, a deed tells the new owner the location of the property:

- True address
- Coordinates of property
- Shape and size of property
- Names of previous and new owners

Some deeds use metes and bounds to describe the boundaries and identify locations of in-ground monuments, property lines and closest landmarks – if they exist. The document identifies who is surrendering the property (grantor) and who is accepting it (grantee). Most counties in the continental United States also require addresses of all parties participating in the property exchange.

Status of Deed Information

Every piece of information on a deed must be accurate. This includes the legal description and coordinates of the property. An incorrect statement here could lead the new owner to place a shed or a fence on neighboring property.

People's names are the common mistakes, especially in the case of a single woman owner who marries and decides to sell the property. Her name must identify her by the name in use when she was single as well as the name she took when she wed. Failure to do this leaves a "cloud" on the deed and the title of the property.

Grant Deed v. Quitclaim Deed

There are two types of deeds: a quitclaim deed and a grant deed. Both are used to transfer property title to a new owner and neither of them carry any information as to the sales price, mortgage loans, taxes or any other financial information. While they have similar functions, they offer different levels of protection to the recipient. A signed and witnessed version of either the grant or quitclaim deed is required to complete a real estate transaction.

Grant Deed

Created and signed by the seller at the closing of a real estate transaction

Includes a full legal description of the subject property

Verifies that the seller owns clear title to the subject property

Guarantees that the property is clear of liens and encumbrances

The seller signs the deed and is considered the grantor or transferor

The individual receiving the deed is the grantee or transferee

Grant deeds can be backed by title insurance that would protect the new property owner against future claims on the property.

Quitclaim Deed

The quitclaim deed is created when the subject property is not a part of a traditional sales transaction but to transfer any interest in the property to a recipient/grantee.

A quitclaim deed may be used to convey property as a gift, though a will or by a third party that is legally responsible for the property.

Quitclaim deeds may also be used by grantors to convey the property to a spouse, for example, in a divorce.

A quitclaim deed does not contain a title covenant and therefore offers no warranty regarding the current status of the legal title.

Quitclaim deeds are not backed by a title insurance policy and therefore offer a lower level of protection for the grantee.