

2021 MLTA Boot Camp

The Basics of Title Search Examination



Week #2: April 14, 2021

Presented by Hollie Oxie, Allegiance Title Agency, LLC

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What we learned in Week #1, a quick recap:

- The basic nature and history of Land Title (Real Estate)
- Land Registry – Register of Deeds records
- The importance and value of Land Title and how to protect it – leading up to Title Insurance
- The basic process for searching and examining, and creating a chain of title, which we will address in more depth today.



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So, where and how do we start this “process”?

- Well, it all begins with the title order or application. A Purchase Agreement or perhaps a Loan Application.
- That will contain the essential information to help establish our starting point information – namely the apparent owner of the property and the identification of that property (Land) – by the address in most cases, and if we’re lucky, the *Legal Description* of the Land.
- From that we would know how to conduct our search, beginning with the current owner name, and know what Land we will be searching (likely using a *Tract Index*)

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But, before we short cut to the use of Tract Indexes, or purchased vendor searches, let’s review the old, original procedure for searching the grantor-grantee indexes.

- Recalling the simplified Week #1 introduction to a Chain of Title, with A to B, B to C, C to D ... there was one key thing Allan did not mention – that you start such a chain with the most recent deed and work Backwards from there (A being the current owner).
- Thus, the starting point from the apparent current owner is created by/from the new title order/app.
- Also recalling Week 1 photo of the ROD room filled with books, these many books were alphabetically arranged by the first letter of the last name, such that you might have to jump back and forth book to book.

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So, if James Brown is your current seller, and the presumable owner of record, you would go to the B Grantee book, and work back from the current date until you found deed into James Brown for you property. Note, there may be multiple James Browns as well as multiple properties deeded to him.

Once you find that deed, you would note the dated date and recording info for that deed with the complete names of the Grantor(s) and the Grantee(s) in your *Chain*. If the Grantor's name was John Doe, and that deed was recorded 9-19-2012, you would then go to the D Grantee book, but start working backwards from 9-19-2012 looking for the deed to John Doe.

This will continue until you cover the span of years required in accordance with your applicable *search standard*.

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Ah, but you are only half way done! Because now from your oldest starting point in that chain (with the oldest name), you know proceed Forward in the Grantor books, looking again for the next deed in your chain – **But also looking out for any intervening deed from that Grantor to a different Grantee for your property (creating an apparent title issue).**

Most County ROD's have similar Mortgagor-Mortgagee books, as well, that will likewise need to be checked for the span of time that a Grantee owned the property - a tedious process.

So, the creation of a Tract Index, where everything was logged into books, chronologically, based on the Legal Description grouping of properties became a major time saver!

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And speaking of those grouped Legal Descriptions, we now turn our attention to identify just what we mean by a Legal Description, and the various types of Legal Descriptions.

Entire Boot Camps have been devoted to Legal Descriptions and then only scratched the surface. So, we will necessarily be brief for now as to the various types of Legal Description (the *Legal* way documents are catalogued).

The different types of Legal Descriptions are as follows:

Section Land (derived from Government Surveys)

Metes and Bounds descriptions

Subdivisions

Condominiums

Private Claims

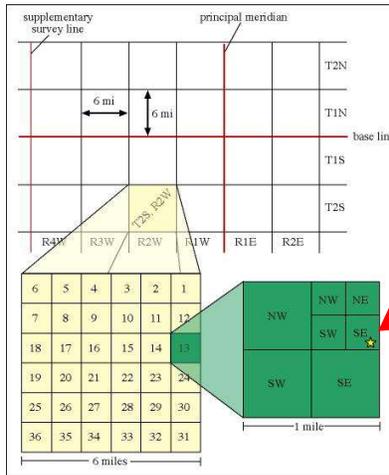
Addresses?

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Section Land

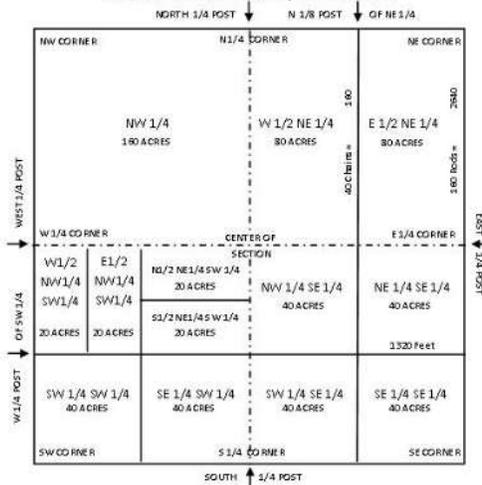
The Southeast quarter of the Northeast quarter of Section 13, Town 2 South, Range 2 West. (shown below with star)



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A SECTION OF LAND, 640 ACRES



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Metes and Bounds

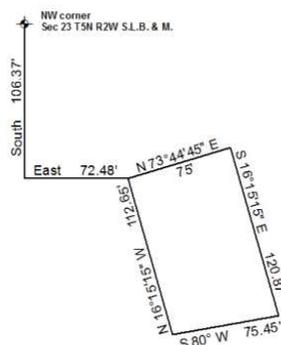
- The metes and bounds method of describing property is used for describing parcels which are not able to be described by simply using the Rectangular Survey System references. “Metes”, meaning measurements and “bounds”, meaning boundaries, are designated units of measurements along a specified line. This type of description sequentially works around the parcel by beginning at a point and ending at the same “point”. They may also use other reference points, such as roads or waters edge.
- For Example: That part of the Northwest $\frac{1}{4}$ of Section 3, described as Commencing at the NW corner of said Section 3; thence East 330 feet; thence South 400 feet; thence West 200 feet; thence North 50 feet; thence West 130 feet; thence North 350 feet to the place of beginning.

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Original Legal Description

Part of the NW quarter of Section 23, Township 5 North, Range 2 West, Salt Lake Base and Meridian. Beginning at a point South 106.37 feet and East 72.48 feet from the Northwest corner of said section. Running thence North $73^{\circ}44'45''$ East 75 feet; thence South $16^{\circ}15'15''$ East 120.87 feet; thence South 80° West 75.45 feet; thence North $16^{\circ}15'15''$ West 112.65 feet' to the point of beginning.

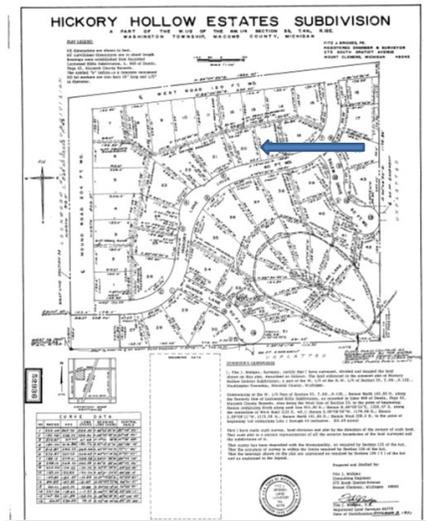


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Subdivisions

Lot 20 of Hickory Hollow Estates Subdivision, according to the recorded plat thereof, as recorded in Liber 62 of Plats, Page 46.



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Condominiums

Unit 160, Hometown Village At Waterstone Condominium, according to the Master Deed recorded in Liber 20743, page 417 through 515, inclusive, Oakland County Records, as amended, and designated as Oakland County **Condominium Subdivision** Plan No. 1211, together with rights in common elements and limited common elements, as set forth in the above Master Deed (and amendments thereto) and as described in Act 59 of the Public Acts of 1978, as amended.

Private Claims

Private Claims (often large *ribbon farms*) originated with early French settlements along parts of the Great Lakes (mostly along Lake St. Clair, the Detroit and St. Mary's Rivers), also catalogued in those county ROD records as numbered P.C.'s.

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Now that we understand the nature of Legal Descriptions, we can see the value of the Tract Indexes, where the properties might be grouped by subdivisions, condominiums or Sections and Townships, and would be much easier to search.

DOR-MAR, part of NW 1/4 Sec. 9, T7N, R11 E.
 Altice Township

Contains 12 lots

DEEDS AND MORTGAGES, ETC.

Cover Lots 1 thru 12 Inc. & Outlots "A" & "B" Rec: Apr. 12, 1967

GRANTOR	GRANTEE	Instr.	Am't.	RECORDED	L	P	No.	DESCRIPTION
Robinson, Harold T., et ux	Simons, Mitchell F., et ux	Ld. Cont.		Aug. 7, 1968	326	201		Lot 4
Ruddock, Roland G., et ux	Robinson, Harold T., et ux	W.D.		Sept. 14, 1970	342	336		Lot 5
Robinson, Harold T., et ux	Mason, Roland W., et ux	W.D.		Oct. 15, 1970	343	202		Lot 5
Mason, Roland W., et ux	Farmers Home Administration	Mtg.	17,500	Oct. 15, 1970	343	203		Lot 5 (Ac. 425-869)
Lapeer Builders Supply	Mason, Roland W. et ux	Acc't. & Lien		Jan. 29, 1971	345	665		Lot 5 (De. 351-417)
Ruddock, Roland G., et ux	Robinson, Harold T., et ux	W.D.		Feb. 2, 1971	346	55		Lot 2
Robinson, Harold T., et ux	Michigan National Bank	Mtg.	8,000	Feb. 2, 1971	346	56		Lot 2 (De. 371-415)
Robinson, Harold T. et ux		Buy-land		Apr. 16, 1971	348	504		All Lots.
Robinson, Harold T. et ux	McCombs, Louis E.	Buy-land		May 12, 1971	349	143		Lot 9: W. 50 ft. of Lot 8
Hill, Harry J.	Robinson, Harold T., et ux	L.P.		May 12, 1971	349	170		All Lots except Lot 9, W. 50 ft. of Lot 8, & Lot 4. EEL. 366-560
Ruddock, Roland G., et ux	Robinson, Harold T., et ux	W.D.		Aug. 22, 1972	366	841		Lot 9 and W. 50 ft. of Lot 8

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So, what other items might we find in our search, to be shown in our Chain of Title?

- Land Contracts, Mortgages, Judgment Liens, Claims of Lien, Easements, Agreements, Notices of Lis Pendens, Notices of Tax Forfeiture, Affidavits, Restrictive Covenants, Oil & Gas Leases, Claims of Interest, other Liens – all of which may be considered Encumbrances on the title, and possibly needing resolution or which might run with the land.
- If the property is a subdivision lot, an examination of the plat is needed; if it is a condominium unit, the Master Deed should be reviewed; if it is neither of those – but rather a section description or a metes & bounds, a review of the tax map or section map. One of the key things we are looking for is whether our Land has a legal right of ACCESS to a public road.

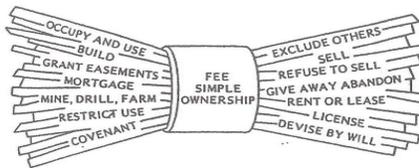
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What else needs to be searched or checked – and why?

- We identified Encumbrances – but there are others. Ad Valorem (annual real estate) Taxes, for one. Remember the concept of the bundle of stick (bundle of rights) from week 1?



- As Allan explained, while we refer to our ownership as “Fee Simple”, we don’t actually own all the sticks/rights. Taxes are the best example. But, if the property is bounded by a body of water, neighboring owners may have *riparian rights*.

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So, once we check all those sources, plats, maps, tax records, etc. – what’s next?

- Well, we haven’t quite covered all the bases yet. But most of the rest of this comes under the heading of Examination (of the documentation and information disclosed by the search).
- This involves thoroughly reading the items disclosed by the search and *Chain of Title*, most particularly the deeds, to see if any other party’s interests are disclosed by the language in the deeds, or by the current tax records, and if any other court matters, such as a divorce, a probate, or maybe a bankruptcy have been indicated, requiring a further examination of the respective court case.
- So, we need to examine the *Chain of Title* to establish who actually appears to hold the title and which encumbrances have not been eliminated (released). We also run the names of the parties of interest in a General Name Search Index for items (tax liens mostly) which may be filed against the individual and attach to the Land.

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FEBRUARY 23, 2021 (Full)		PLANT THROUGH		FEBRUARY 24, 2021 04:33PM	
Geographical Dates:		INSTRUMENT: 27447-654		COURT HOUSE: FEBRUARY 26, 2021	
JAN 01, 1970 - FEB 23, 2021		FROM 00000000 THROUGH 99999999		SEARCH PARAMETERS	
LOT	HI LOT	BLOCK	BOOK PAGE	SUB LOT	HI SUB LOT
269			P46-60		
SUBDIVISION: VENETIAN VILLAGE WOODS 2					
SEARCH: FROM 00000000 THROUGH 99999999					
DISPLAY AUTO CHAIN, ALL HIERARCHY					
EXTENDED NAMES					
(CREATE A STARTER / PERMIT DATEDOWNS) INST:					
PARAMETER ENTERED:					
LOT	HI LOT	BLOCK	BOOK PAGE	SUB LOT	HI SUB LOT
269			P46-60		
NO AUTO CHAIN FOUND					
SEARCHED PARAMETER:					
LOT	HI LOT	BLOCK	BOOK PAGE	SUB LOT	HI SUB LOT
269			P46-60		
NO OPEN ORDERS FOUND					
LOT	BLOCK	BOOK PAGE	SUB LOT		
269		P46-60			
RECORDED	INST	BOOK-PAGE	YEAR-INST NO.	COMP	PORTION
		DOLLAR AMOUNT	LOAN	REMARKS	LOTS/SUB LOT RANGE
		ORIG BK-PAGE	PARTY	LAST	FIRST
✓	04/15/2020	MG	26645 - 578	2020 - 47470	MI
			\$110,000.00		
			VESTING: UM, MERS		
			BOROWR SHEEHY	WESLEY	A
			LENDER HUNTINGTON NATIONAL BANK		
✓	04/15/2020	DO QC	26645 - 576	2020 - 47469	
			VESTING: U-		
			GRNTOR SHEEHY	LAURA	/
			GRNTOR SHEEHY	WESLEY	/
			GRNTEE SHEEHY	WESLEY	
07/04/2014	MG	20906 - 29	2014 - 062041		-
			\$75,000.00		
			PARTY1 SHEEHY	LAURA	
			PARTY1 SHEEHY	WESLEY	
			PARTY2 HUNTINGTON NATIONAL BANK		A
✓	04/02/2020	MG-RL	25612 - 299	2020 - 37162	-
			2014 - 85241	22926 - 29	

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04/03/2008	MG	10390 - 830	2008 - 47220	---	-
		\$25,000.00			
			PARTY1 SHEEHY	LAURA	
			PARTY1 SHEEHY	WESLEY	A
			PARTY2 HUNTINGTON NATIONAL BANK		
✓ 08/19/2014	MG RL	22658 - 753	2014 - 101517		-
		2008 - 47220			
11/03/2005	MG	47903 - 540	2005 - 200917	---	-
		\$80,000.00			
			PARTY1 SHEEHY	LAURA	
			PARTY1 SHEEHY	WESLEY	A
			PARTY2 TCF NATIONAL BANK		
✓ 11/02/2013	MG-RL	22059 - 845	2013 - 174612		-
		2005 - 200917			
01/04/1986	MG	6896 - 226	---		-
		\$10,000.00			
			P2 DBA		
			PARTY1 SHEEHY	LAURA	
			HW		
			PARTY1 SHEEHY	WESLEY	A
			PARTY2 TCF CONSUMER FINANCIAL SERVICES CX		
			PARTY2 TCF FINANCIAL SERVICES		
07/07/1999	MG-AD	9955 - 991	1999 - 9999		-
		5895 - 226			
✓ 11/02/2005	MG-RL	47922 - 802	2005 - 200924		-
		5895 - 226			
05/04/1994	MG	6339 - 575	---		-
		\$80,000.00			
			PARTY1 SHEEHY	LAURA	
			HW		
			PARTY1 SHEEHY	WESLEY	A
			PARTY2 GREAT LAKES MORTGAGE CX		
05/04/1994	MG-AD	6339 - 584			-
		6339 - 575			
✓ 11/02/2005	MG-RL	47946 - 869	2005 - 200924		-
		6339 - 575			
✓ 05/04/1994	DD WT	6339 - 574			-
		\$121,000.00			
			PARTY1 MERRILL	GREGORY	O
			PARTY1 MERRILL	MECHELLE	L
			HW		
			PARTY2 SHEEHY	LAURA	
			HW		
			PARTY2 SHEEHY	WESLEY	A

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08/19/1989	MG	4725 - 817			
		\$75,200.00			
			PARTY1 MERRILL	GREGORY	O
			PARTY1 MERRILL	MECHELLE	L
			HW		
			PARTY2 GMAC MORTGAGE CX OF PENNSYLVANIA		
07/19/1994	MG RL	6396 - 129			
		4725 - 817			
08/19/1989	DD WT	4725 - 816			
		\$94,000.00			
			PARTY1 ALLPORT	ELIZABETH	S
			PARTY1 ALLPORT	WILLIAM	R
			PARTY2 MERRILL	GREGORY	O
			PARTY2 MERRILL	MECHELLE	L
			HW		
01/09/1986	DD GC	3883 - 463			
		F1 FKA SEALS			
			PARTY1 ALLPORT	ELIZABETH	S
			PARTY1 SEALS	ELIZABETH	L
			PARTY2 ALLPORT	ELIZABETH	S
			PARTY2 ALLPORT	WILLIAM	R
11/04/1976	DD WT	2749 - 322			
			PARTY1 VANDENBOSSCHE	DANIEL	J
			PARTY1 VANDENBOSSCHE	VALERIE	J
			HW		
			PARTY2 SEALS	ELIZABETH	L
			PARTY2 SEALS	HARMON	
05/23/1974	MG	2500 - 722			
		\$33,900.00			
			PARTY1 VANDENBOSSCHE	DANIEL	J
			PARTY1 VANDENBOSSCHE	VALERIE	J
			HW		
			PARTY2 FIRST FEDERAL SLA OF DETROIT		
09/25/1989	MG RL	4729 - 872			
		2500 - 722			
05/23/1974	DD WT	2500 - 721			
			PARTY1 HOFFMANN	HARRY	C
			PARTY1 HOFFMANN	SHARON	A
			HW		
			PARTY2 VANDENBOSSCHE	DANIEL	J
			PARTY2 VANDENBOSSCHE	VALERIE	J
			HW		

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LAST NAME	FIRST	MI	LST 4 SSN
SHEEHY	WESLEY		

Name Service: GENERAL_INDEX
 (PERMIT DATEDOWNS)
 Name Service: GENERAL_INDEX
 (PERMIT DATEDOWNS)
 Name Service: GENERAL_INDEX
 (PERMIT DATEDOWNS)
 PARAMETER ENTERED:
 LAST NAME ENTERED:
 SHEEHY
 WESLEY
 NICKNAME VARIATIONS SEARCHED: WEKELL,WES,WESSLEY,WESTLEIGH,WESTLEY
 SEARCHED PARAMETER:
 LAST NAME ENTERED:
 SHEEHY
 WESLEY
 *

LAST NAME	FIRST	MI	INST	RECORDED	PRTY	COMP
ORIG BK-PAGE		YEAR-INST NO.		BOOK-PAGE	DOLLAR AMOUNT	LOAN
SHEEHY	WESLEY		CP DV	08/26/2019	PARTY1	D2019009029
SHEEHY	LAURA					

 PARAMETER ENTERED:
 SPOUSE LAST NAME ENTERED:
 SHEEHY
 WESLEY
 NICKNAME VARIATIONS SEARCHED: WEKELL,WES,WESSLEY,WESTLEIGH,WESTLEY

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Types of deeds and their differences

- Warranty Deed* – always preferred!
 - Covenant Deed – typically corporate
 - Quit Claim Deed*
 - Sheriff's Deed (or County Clerk's Deed)
 - Deed in Lieu of Foreclosure
 - Trustee's Deed, Fiduciary Deed, etc.
 - Variations on the above (e.g. Lady Bird Deed)
- * for individual, corporations, LLC, etc.

The key is the language contained in the deed!

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Now that we have done a quick thumb nail on the types of deed, let's turn to liens & encumbrances

Sometimes you might get lucky finding that an unreleased lien has been terminated statutorily, Here's a useful list:

- **Mortgage:** Statutorily discharged 30 years after due date shown in recorded mortgage (if none shown, 30 years from recording)
- **Financing Statement (UCC):** 5 years after recording, unless continuation statement recorded
- **Federal Tax Lien:** 10 years, plus 30 days, after the date assessment (shown in recorded lien)
- **State of Michigan Tax Lien:** 7 year after recording, unless refiled (extended)
- **Michigan Employment Security Commission (MESC) Lien:** No statutory expiration provision

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More statutory lien/encumbrance expirations:

- **Michigan Court Judgment Lien:** 5 years after recording, or 10 years after the date of the judgment, if it's earlier
- **Notice of Lis Pendens:** 3 years after recording (BUT, the active court case is the issue! Is the case finalized?)
- **Levy on Execution (or Writ of Execution):** 5 years after recording
- **Claim of Lien (Construction Lien):** One year after recording – IF NO LITIGATION COMMENCED (BUT, check with your underwriters for their guidelines)
- **Condominium (or HOA) Lien:** No statutory expiration
- **Abstract of Judgment (from Federal Court):** 20 years

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Circling Back – Saving the Best for Last?

Search Standards: How far back to search
40 year standard, unless ... (and except ...)
Underwriters' *Search Standards* guidelines

Possible sources for searching
County Records online (tract and names)
Vendors' tract and name based searches
Vendors' partially examined searches

What's next – After the search and exam?
More *Examination* Instruction and
Preparing the Title Commitment (week 3)

Questions as to what we covered today?

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Questions regarding the Search & Examination of Title.



Questions?

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