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# *The* **ABC'S** *of the* **TITLE COMMITMENT**

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A commitment for title insurance (title commitment) provides a buyer with the terms and conditions for which the title company will be issuing a title insurance policy. Title insurance protects buyers and lenders from errors and defects in the title on real estate being purchased. There are four parts to a title commitment. Each part is called a schedule. See below to understand what each schedule outlines.

## *Schedule*

# A

This section lists the names of the buyer, or “proposed insured”, the buyer’s lender if any, the policy amount, the type of policy being purchased, the legal description of the property, and the name of the current record title owner of the property.

## *Schedule*

# B

Schedule B is directed toward the buyer and contains a list of standard exceptions that the title policy will **not cover**. More importantly, Schedule B lists exclusions and exceptions to coverage specific to the transaction such as restrictive covenants, setback requirements, easements and rights-of-way, and mineral reservations.

## *Schedule*

# C

This section lists items that must be resolved in order to transfer title to the new owner and for the title company to issue its title policy to the new owner. Title issues may include mechanic’s liens, tax liens, judgments, lawsuits, assessments, and other such encumbrances affecting title.

## *Schedule*

# D

This sections outlines the parties who will share any part of the insurance premiums, including underwriters, title agents, and attorneys.

Please contact your Escrow Officer with any specific questions regarding your title commitment. Questions of a legal nature should be directed to an attorney with title insurance practices.