

Bundle of Rights

What is Bundle of Rights?

Bundle of rights is a term used to describe the various interests and rights that a real estate title holder has in regard to ownership of a property.

When you own property, you have a bundle of rights that includes the right to sell, lease, use, exclude, enjoy, dispose of or develop the property. Owners' rights can vary depending on local laws.

A property owner's rights can be limited in different situations, such as when property taxes are not paid. In most cases, a property titleholder has the right to use, manage and enjoy the property in any way that is legal, although restrictions can apply. Playing music within a certain decibel range, for example, may not be allowed due to subdivision regulations or the covenants of a homeowners association.

In legal terms, "Title" is the Bundle of Rights a property owner may have in their home or property. Therefore, when you purchase a home you wanted to make sure that the title to the property is clear and includes no hidden liens or any other issues that could cloud the title. As soon as your sales contract has been accepted and escrow opened with Chicago Title, our title agents will conduct a thorough title search, checking that the title of the property to be sold is free of defects or encumbrances.

During the searching process, title agents are specifically looking into these items:

LEGAL DESCRIPTION AND SURVEY

The legal description identifies the location of the property plus the property dimensions and boundaries. A survey of the property can verify the accuracy of the legal description or reveal some discrepancy that must be addressed or corrected.

OWNERSHIP HISTORY

The ownership history or chain of title shows everyone who has ever owned the property, the mortgages that were held by lenders on the property through the years, and when each previous mortgage was paid off or "released." Your title agent will make sure the current owner has the right to sell the property and that all mortgages are cleared before the property is turned over to you.

JUDGMENTS, LIENS AND EASEMENTS

Liens such as court judgments, unpaid construction fees or even unpaid child support must be identified and resolved before the sale is finalized. The title agent also reports any easements on the property that will impact your ability to build on or improve the property.

TAXES AND HOA FEES

A search is conducted to determine what property taxes are currently owed and if there are special tax assessments or Homeowners' Association Fees that must be paid at closing.

TITLE COMMITMENT OR PRELIMINARY REPORT

When all searches are complete, our title agent prepares a title commitment or preliminary report, detailing everything that was discovered in the search and what items must be cleared before we will insure the Title. When all obligations have been met to satisfy the real estate sales contract, the lender's instructions and the title commitment, Chicago Title will issue a policy of title insurance.

Title professionals seek to resolve problems like these before you go to closing. Once a title policy is issued, if for some reason any claim which is covered under your title policy is ever filed against your property, Chicago Title will pay the legal fee involved in defense of your rights, as well as any covered loss arising from a valid claim. That protection, which is in effect as long as you or your heirs own the property, is yours for a one-time premium paid at the time of purchase.

For a complete list of common title problems that can affect your Bundle of Rights, please contact:

