

CHECKERED *past*



Veronica Harrison, Senior Vice President and Escrow Officer for Austin Title, opened a sale transaction. The buyer was a real estate investor, and the sale was for a home located on two adjacent lots for \$730,000. The buyer made a cash offer and agreed to close in 13 days. The seller accepted the offer and escrow was opened with Austin Title.

The Commitment for Title Insurance (commitment) was issued. The buyer, who was in the middle of performing his due diligence, called Veronica to ask her about the uninsured deeds the title officer found in the chain of title.

Veronica reviewed the commitment, determining this property's title had a checkered past. There were several uninsured deeds. She decided to start with the most recent ones which were executed in January 2024, but not recorded until March 2024.

Veronica did her own independent research and reached out to the grantors by obtaining their mailing address from the Central Appraisal District (CAD) records. According to CAD, the grantors lived in Fort Worth, Texas. She sent an overnight letter asking them to contact her. Then, she further reviewed the chain of title.

In 2018 there also were two different deeds; one recorded in February and one in March, transferring title back into the name of grantor named on the deed in February.

Veronica located the grantee by telephone, who explained the transaction was unwound because the grantor turned out to be an imposter. Another title insurance company insured that sale. He made a claim to that title company, who then restored title and paid their insured the policy limits.

Veronica notified the real estate agents of her findings. It was a Friday, and the closing was scheduled for the following Friday. She alerted them to the fact she would not be able to proceed until she spoke to the grantors named on the deeds executed in January. Fortunately, they reached out to her over the weekend.

The grantors were in Austin for a family matter. They drove by their properties and were shocked to see a for sale sign. They contacted the real estate agent shown on the sign. The real estate agent assured them he would immediately cancel the pending sale and cancel the listing of their property.

The real estate agent also assured them he would provide them with any information about the person he was working with who claimed to own the property. He also provided them with Veronica's contact information and urged them to contact her too. Then he notified the buyer's real estate agent and Veronica.

The transaction was canceled, Austin Title resigned as the escrow holder and the earnest money was returned to the buyer. The real owners reached out to Veronica. They told her they received her letter but thought it was just another solicitation to buy their property. They inherited the property in 1986 and had no intention of selling it.

Veronica stopped them dead in her tracks. She realized the importance of verifying the legitimacy of the uninsured transfer which occurred earlier in the year. She tracked down the grantors herself and uncovered the forgery.

MORAL OF THE STORY

Uninsured deeds in the chain of title pose a risk to our proposed insureds. Settlement agents nationwide are regularly charged with the duty of verifying a deed's legitimacy, much like Veronica did. Her efforts saved the Company from a potential claim.

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