

The first time you receive a copy of title company commitment, you might find it difficult to understand. Once familiar with the commitment, it becomes a road map to follow to ensure that the property can close with clear title to the next owner, whose title ("ownership") is being insured by the title insurance company. A Title Commitment outlines the insurance coverage with coverages, exceptions, and any encumbrances that must be cleared prior to closing.

***Explanation:***

**Schedule "A"**

- **Date** - This is the date and time to which the records have been examined.
- **GF Number-** (Guaranty File Number) Number given by company to identify file. Use this number when calling for any information on the file.
- **Policies or Policy** - This indicates what type of policy is to be issued, who is to be insured and for what amount.
- **Estates or Interest** - Show what type of interest is presently being held in the land.
- **Vesting** - Names of parties appearing to have title to the property according to the public records.
- **Legal Description-** Full description of the property, must be sufficient to enable the examiner to locate the property in the public records.

**Schedule "B"**

- Items 1 through 9 are pre-printed exceptions to Schedule "B". will appear on all commitments.

#### **Schedule "C"**

- The third part of the commitment - Schedule C - tells the Escrow Officer and all other persons who are privy to the information contained therein exactly what needs to be taken care of or resolved prior to closing and issuing the policies.

- If Schedule C items are not resolved to the satisfaction of the title insurer, they may elect not to insure the title at all; or may add these matters to Schedule B as exception to coverage. Items 1 through 4 are preprinted items that must be dealt with before a policy can be issued.

- Items 5 through \_ (can be infinite) are items that must be cleared in order to issue the title policy, and insure the new owner and lender.

#### **Schedule "D"**

- This divulges the directors and officers of the underwriting company. These disclosures are made pursuant to procedural rule P-21 promulgated by the State Board of Insurance.

*Special thanks to Scott Jones, Client Account Representative with First American Title in The Woodlands at 2520 Research Forest Dr. His website is <http://www.firstamericantitlethewoodlands.com>*