



Real Property

Class 10



Equitable Conversion

- After the contract is signed but before the closing, **the seller is still the legal owner** because the deed has not been transferred; but, **the buyer is the "equitable" owner** because the buyer has a right to the property.
- **Risk of Loss:** Under the doctrine of Equitable Conversion, it would be the **buyer's**
- Some states have enacted the "Uniform Vendors and Purchasers Risk Act" which **assigns risk to the seller until the closing**



Remedies for Breach

1. Rescind the contract and don't pay
2. Go through with the contract **and sue for damages** caused by the breach
3. **Specific performance!**



Requirements of a Deed

1. **Granting Clause:** Must list or describe the purchaser and the seller
2. *Can list the consideration involved, but doesn't have to*
3. **A description of the property:** any description that would allow people to understand which property is being referred to by the deed is sufficient
4. **Delivery** with intent to convey title
5. Delivery is presumed if the deed is notarized and later recorded by the grantee



QUIZ TIME!



Types of Deeds

1. Quitclaim Deed

- Makes no guarantees at all- just conveys whatever interest the grantor had in the property

2. General Warranty Deed: Guarantees:

- a) Grantor has *seisin* (title) in the property
- b) Grantor has the **right to convey** the property
- c) There are **no encumbrances** on the property (other than those spelled out in the contract or deed)
- d) The grantor will help **defend the grantee's quiet enjoyment** of the property in the future
- e) The grantor promises "**further assurances**" that he will do whatever is necessary to secure the property for the grantee

3. Special Warranty Deed:

- Same as general warranty, but it only protects against defects that arose **during the ownership or through the fault of the grantor**

