



Conveyancing Issues

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Our mission is to provide knowledgeable and responsive underwriting solutions, harnessing user-friendly technologies to support title insurance agents across America. Title Resources is dedicated to growing lifelong relationships and is committed to maintaining quality through integrity and financial stability.

What Makes a Deed?

Essential Elements:

Writing

Evidence consideration

Words of conveyance

Legal description

Signed by Grantor

- **Capacity**
- **Authority**

Acknowledged

Delivered



Writing

Why we all have jobs!

**Statute of Frauds –
Every conveyance
shall be by deed.
RCW 64.04.010 &
.020.**





Better than the alternatives...

**“She said, he
said...”**



**“Might makes
right.”**





Grantor

Must Have Capacity

- Be an adult.
- Not be subject to a court order limiting capacity.
- Sufficiently coherent to acknowledge signature before a notary.



Example: Does Not Appear to Have Capacity.

Must Have Authority

Scenario #1 – Yes or No?

Raymond died.
Probate opened.
Andrea appointed PR
Probate closed.
Andrea executed
deed to herself.

Q: Deed valid?

A: No.



Scenario #2 – Yes or No?

**Andrea recorded a correction deed.
See exhibits, page one.**

Q: Deed valid?

A: No.





Scenario #3 – Short Answer

Q: What else is wrong with this deed? See exhibits, page two.

A: Individual acknowledgement.



Scenario #4 – Short Answer

Debtors file a bankruptcy the same day that their trustee's deed is recorded.

Q. Which one controls?

A. Whichever one is filed or recorded first.



Scenario #5 – Short Answer

Day 1:

- 10:05 Trustee's sale
- 3:35 Bankruptcy filed

Day 14: TD recorded

If the trustee accepts a bid, the TS is final as of the date and time of such acceptance if the TD is recorded within 15 days thereafter. RCW 62.24.050(1)



Question: Who wins? The trustee or the debtor?

Scenario #5 – Short Answer

Question: Who wins?
The trustee or the debtor?

Answer: Under the deed of trust act, the trustee wins. But, there are other statutes and other facts to consider. So, count your answer correct either way.



In re Charlotte Betchan (2015)

No. 14-03057-FPC13 (E.D.
Wa. Bankruptcy Ct.
January 29, 2015)

Trustee's Deed Recorded
after Bankruptcy Filing

Day 1:

- 10:05 Trustee's sale
- 3:35 Bankruptcy filed

Day 5: TD notarized - CA

Day 14: TD recorded



In re Charlotte Betchan (2015)

RCW 64.04.010 – Every conveyance shall be by deed.

RCW 64.04.030 – Every deed shall be acknowledged.

RCW 62.24.050(1) - If the trustee accepts a bid, the TS is final as of the date and time of such acceptance if the TD is recorded within 15 days thereafter.



In re Charlotte Betchan (2015)



Court found:

- A deed that's not acknowledged is not a deed.
- TD was void, because it wasn't acknowledged and wasn't physically delivered until after the bankruptcy was filed.

In re Charlotte Betchan (2015)

In re Charlotte Betchan,
No. 14-03057-FPC13
(E.D. Wa. Bankruptcy
Ct. January 29, 2015)

Trustee's Deed void
where executed after
bankruptcy filing but
within RCW
61.24.050(1) time
period.



BUT, IT WAS A TRIAL
COURT CASE, AND
CANNOT BE RELIED
UPON AS
PRECEDENT.

Grantee

Must actually exist

Can't convey to:

- Non-existent entity
- Dissolved corporation
- Dead person



"I think instead of worrying about why people don't believe in you, we should worry about why you don't believe in yourself."



WARNING!

**The Following
Screen is For
Mature Audiences
Only**





Ineligible Grantees Who Don't Exist





Consideration

- **May be nominal**
 - **Love and affection**
 - **Gift**
 - **Create separate property**



Consideration

BFP – Must have valuable consideration



RCW 65.08.070 – A conveyance of real property...may be recorded. Every conveyance not recorded is void against a later purchaser [who takes the same land] in good faith *for valuable consideration* from the same seller...and whose conveyance is recorded first.

Words of Conveyance



The magic words are:

- Warrants and conveys
- Bargains, sells and conveys; and
- Quitclaims and conveys

Scenario #6 - Short Answer

Pamela and John quitclaimed property from themselves to Pamela's LLC. See exhibits, page 3.

What's wrong with this deed?

- No legal description
- John didn't acknowledge
- No excise tax



Scenario #7 - Short Answer

Pamela and John quitclaimed property from themselves to Pamela's LLC. Excise tax should have been paid. See exhibits, page 3.

Q: How might Pamela and John fix the problem, without incurring excise tax?



Signed



John Hancock

All Grantors must sign the deed

With the same name that appears on the deed

For title insurance purposes, the Grantor on the deed should match the name in Schedule A vesting.

Acknowledged

**A conveyance of real property, *when acknowledged* by the person executing the same...may be recorded[.]’
RCW 65.08.070**



Scenario #8 – Short Answer

Stefan and Roberta conveyed Lots 17, 18, 19 and 20 to Spence. They conveyed Lot 17 in error. They rerecorded to correct the legal description. See exhibits, page 5 – 7.

Q: What's wrong with the Correction Deed?

A: Grantors/grantees did not re-sign / re-acknowledge.



Delivered

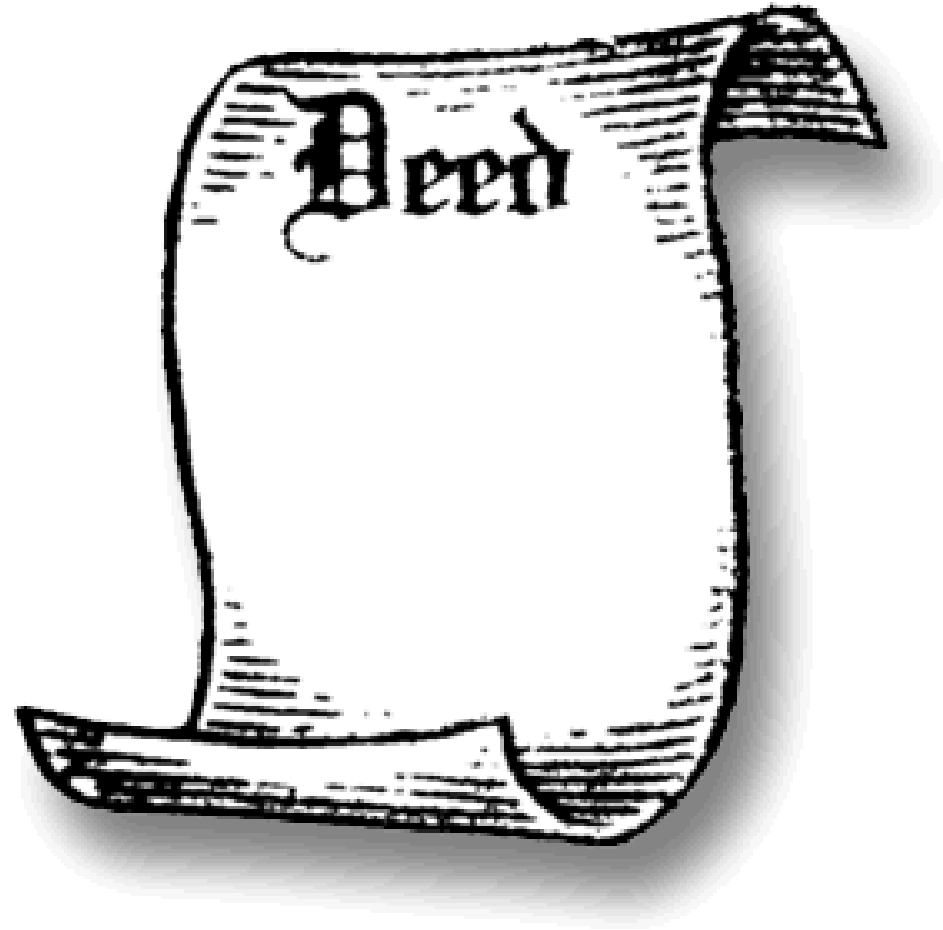


- When grantor parts with physical control with intent “that deed should presently pass title.” Juel v. Doll, 51 Wn.2d 435, 436-37 (1957).
- Rebuttable presumption of delivery, if deed recorded or... grantee has possession. Rayborn v. Hayton, 34 Wn.2d 105, 109 (1949).



The Four Basic Deeds

- **Quitclaim Deed**
- **Bargain and Sale Deed**
- **Statutory Warranty Deed**
- **Special Warranty Deed**



Quitclaim Deed



“Quitclaims and conveys” – RCW 64.04.050

“You threatened to quit if I didn’t give you a raise, not quilt.”



Quitclaim Deed

NO warranties

Generally, QCDs are used to divest title, not to vest title.

- Lack of Probate
- Separate Property
 - Dissolution
 - Estate planning





Bargain and Sale Deed

**“Bargains, sells
and conveys” –
RCW 64.04.040**



**Only warrants
against defects
created by the
grantor**

Statutory Warranty Deed

**“Conveys and warrants”
– RCW 64.04.030**

- **Fee simple/power to convey**
- **Free from encumbrances**
- **Quiet and peaceable possession**
- **Will defend title against all persons lawfully claiming same**





Special Warranty Deed

Isn't that special!

“Bargains, sells and conveys” – *But* [Not Statutory]

- Created by LPB
- LPB 16-09

What does “[Not Statutory]” mean?





Title Resources Guaranty Company

Questions?



"No good deed goes unpunished around here."