



# Grant Deed and Quit Claim Deed

## What is the difference?

This is a common question. Both convey interest in a property, so why have two different deeds? What is the implication of using one over the other? In truth, they serve two very different purposes.

### Grant Deed

A Grant Deed implies the following:

1. The Grantor has not transferred ownership in this property to any person other than the Grantee
2. That the property is, at the time of conveyance, free from liens or encumbrances incurred by the Grantor

### Quit Claim Deed

A Quit Claim Deed transfers only any present title, right or interest that the Grantor may have. There are no warranties regarding liens or encumbrances and no representation of either past or future ownership. This is one of the reasons that a Spousal Quit Claim Deed is used to relinquish any potential interest of the spouse when a purchase is made.

An REO transaction is another example of when a Quit Claim Deed may be used. The REO Owner may or may not be aware of the preforeclosure history of the property. REO owners who have no such knowledge may be unwilling to give a new buyer the implied warranties provided by a Grant Deed. Without those implied warranties, the buyer accepts the risks that may have been covered by those implied warranties. Title insurance can help to play a vital role in protecting the buyer's ownership interests and reduce those risks in certain circumstances.



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