



Clear Title Tip Sheet

Those interested in participating in the buyout program must have clear title to the property they want to sell. This means being able to prove ownership of the property (even if there are multiple owners) and that it is or will be free of any liens, judgments, mortgages or other encumbrances at closing.

The process to clear a title may delay closing on a buyout award, so applicants are encouraged to begin reviewing title status now and researching steps to clear it, if necessary. Clearing a title often involves expenses, such as attorney or document fees, so applicants are encouraged to confirm that a property is eligible for the program before incurring any costs.

Some applicants may be eligible for limited legal assistance through the buyout program, which will be determined after an application is reviewed for eligibility. Even if applicants want to wait and see if they are eligible for legal assistance, determining title status now will be helpful later in the process.

WHAT TO CONSIDER WHEN DETERMINING TITLE STATUS

- Are you the original owner of the property?
- Has there been a death or divorce?
 - *If one or all of the owners have died, has a succession been completed?*
 - *If a succession has been completed, who has ownership now?*
 - *If there has been a divorce, has a property settlement been completed? Does the divorce decree state who has ownership of the property and/or who is allowed to occupy the property?*
- Is there a mortgage on the property? If so, what is the outstanding balance? Consider if it may take most of or more than the buyout award to pay off the balance.
- Are there any judgments or liens on the property? If so, they must be paid off and removed from the title before or at closing. Examples and descriptions of judgments/liens follow:
 - *Repossessions*
 - *Unpaid medical bills*
 - *Unpaid child support*
 - *Property bonds*
- A property bond may have been issued in the event of a court or criminal case. If the property bond has been paid or satisfied, it can be canceled. If not paid or satisfied, it may be possible to appeal to the court to see if an alternative property could be put in its place.
- If the homeowner contests a judgment or lien, once the debt is verified (probably with a Social Security number) it may be possible to file a Same Name Affidavit.
- If there are judgments or liens on the property, are they more than 10 years old? It might be possible to have them canceled by prescription.
- Partial release: If there is a judgment or lien that exceeds the amount of the buyout award, it may be possible to negotiate with the creditor to accept the debtor's percentage of sale proceeds at closing and issue a partial release of the judgment from title. The creditor can file a personal judgment on the debtor (not the property) for the remainder of the judgment amount.