

FACULTY OF JURIDICAL SCIENCES

COURSE: B.A.LL.B./BBA.LLB/LL.B.

Semester - II

SUBJECT: ALWS II

SUBJECT CODE: BAL-208/BBL-208/LLB-206

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Lecture-13



Deed: Contract Deed, Sale Deed, Gift deed,

Deed:

Any written legal document or instrument that gives a specified natural person control or specified rights over an asset.

A deed can be defined as any written legal document or instrument that gives a specified natural person control or specified rights over an asset. In some instances, some conditions must be met in order for the rights granted to be effective.

Referencing common law, a deed is any legally binding instrument that confirms, passes, or affirms the interest property or right. The deed is signed, attested, and delivered. Depending on the jurisdiction, a deed can also be sealed.

Deed

Deeds are commonly associated with the transfer of a title to a property and are presumed to be valid. Deeds can be bilateral (two parties) or unilateral (one party) and can include powers of attorney, patents, licenses, diplomas, commissions, etc.

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Understanding How Deeds Work

One of the primary functions of a deed is to transfer a title from one individual to another. A title serves as a legal document providing proof of ownership of an asset. In order to ensure

that the deed is legally binding in a court of law, a government official who is tasked with maintaining the documentation needs to file the deed in the public record.

Should a deed not be notarized, be in written form, and/or entered into the public record, it can be deemed as imperfect. Although the transfer of rights may remain perfect, should any legal issues arise, the deed must be verified and cleared up with the state.

Required Features of a Deed

In order for a deed to be legally enforceable and valid, it needs to meet several requirements, including:

1. The deed must state on its face that it is a deed

It can be performed with phrases such as “executed as a deed” or “this deed.” It provides clear information on the kind of legally binding instrument it is.

2. The deed must stipulate that it is conveying or awarding some kind of special rights or privileges to someone

It means that the grantor (the person granting) must have the legal right or power to grant the special rights and privileges to the grantee (the person being granted). The grantee must also have the legal capacity to receive and handle the deed and/or the conditions that may come with the rights pertaining to the asset in question.

3. The deed must be executed by the grantor in solemn form

It means that it must be executed in the presence of a stipulated number of witnesses, known as instrumentary witnesses. The deed also needs to be notarized.

4. A seal must be affixed to the deed

Depending on the jurisdiction in which the deed is being executed, a seal needs to be affixed to the deed. The seals were more common in the past and made the signatures of the parties to the deed optional. At the present time, the signatures are key to the instrument.

5. The deed must be delivered, and the grantee must accept the deed to validate it

The conditions that apply with the acceptance of the deed are referred to as covenants.

Common Types of Deeds

Common types of deeds include (but may not be limited to):

1. General warranty deeds

Warranty deeds normally provide the utmost amount of protection because they typically include covenants (special conditions) or warranties that the grantor will warrant the title.

Through a warranty deed, the grantor (who, in most cases, is a seller) provides a guarantee that she or he is the holder of the title to an asset and therefore, owns the right to sell the deed to the grantee.

2. Quitclaim deeds

A quitclaim deed is used by a grantor to transfer its interest in real property. The deed transfers any interest of the grantor to the grantee. The grantor terminates any rights or claims to the property, thus allowing for the transfer of the rights and claims to the property to the grantee.

The termination of the grantor's rights and claims is known as "quitting," therefore the grantor is said to quit any claims or rights to a respective property.

3. Grant deeds

A grant deed is commonly used for the transfer or sale of real property from one natural person to another. The grantor must sign the deed, and the signature(s) must be notarized.

Through the grant deed, the grantor guarantees that the property has not been transferred or sold to another party and that the asset does not have an undisclosed restriction, liens, or taxes payable. It provides the surety that there are no legal claims to the property by any potential third parties.

Contract for deed

A contract for deed is a contract for the sale of land that provides that the buyer will acquire possession of the land immediately and pay the purchase price in installments over some time, but the seller will retain legal title until all payments are made. Also termed an installment land contract, a land contract, or a land sales contract.

Contract for deed can be considered a special type of real estate contract in which the seller provides funds to the buyer to purchase the property at an agreed purchase price and the buyer repays the loan in installments. When the full purchase price, including any interest, has been paid, the seller is obligated to sign a deed (See: Deed) to convey legal title to the property to the buyer. Contract for deed also usually requires the buyer to make an initial down payment to the seller.