



# Five Ways to Master Deed Preparation

How to reduce recording rejections and ensure the deeds you prepare are correct and UPL compliant.

# Table of Contents

Know the Correct Deed Requirements.....	4
Ensure your Deed is UPL Compliant .....	5
Complete All State and County Forms.....	6
Calculate Recording Fees, Transfer Taxes and Other Hidden Fees .....	7
Reduce Deed Rejection at the Recording Office.....	8
Conclusion and Next Steps.....	9





# When You Need a Deed

Every day, tens of thousands of deeds are recorded across the United States – everything from Warranty Deeds and Sale Deeds to Quitclaim Deeds. While most of the information that is necessary to create a deed and record a deed is public information, that information is not readily made public – not to mention not located all in one place.

There are many factors to consider when preparing a deed. For instance:

- Which deed is the correct one for the transaction?
- Should a Grant Deed or Quitclaim Deed be used?
- What is a Warranty Deed or Special Warranty Deed?
- How about Vesting?
- Do I title the new deed as Tenants in Common, Joint Tenants with Right of Survivorship, Community Property or Tenants By The Entirety?
- What are the vesting options for each state, since they are not the same?
- How do I transfer title in and out of trust documents?
- How do I remove co-owners that are living or deceased?
- Can transfer tax be avoided or reduced?
- What exemptions are available to save money on any taxes imposed by the state or city?

## The deed standard

To find success preparing and recording deeds, getting it right the first time is critical. Everything must be right and ready to sign the day of closing. In this white paper, we will define in actionable terms what you need to do to ensure your deeds meet the many requirements and avoid rejection.





# Know the Correct Deed Requirements

The first step in preparing a compliant deed is gathering all of the correct information. Failure to do so will cost you a timely recording and/or force you to redo it if it is rejected. The question is this: what information is required?

## Information required to accurately transfer title and ownership rights

Different states require different information on different kinds of deeds. Typically it doesn't matter what deed instrument you use. While a Warranty Deed and a Quitclaim Deed will require the same data that is on the deed itself, other kinds of deeds require inherently different language.

### Basic information

Most states require the obvious items:

- Grantor (who is transferring ownership)
- Grantee (who is receiving ownership) of the title
- The legal description
- Tax ID or parcel number

### Additional information

Some states require additional information. This may include: the date and document number of the last recorded deed, property address unless it is vacant land, marital status of the parties on the deed, consideration or sale amount and, of course, vesting options such as Joint Tenants or Community Property. Other vesting options exist. They tend to be different in different states. A deed may even need to indicate where tax statements should be sent after it is recorded or who requested the document be recorded – such as a lender, title company or other party listed on the deed.

### Keep in mind

Recording offices carefully scrutinize who prepared the deed. Although property owners can always prepare and record their own deed, they are typically prepared by a third party. Some states require that these third parties be licensed attorneys in the state where the deed is prepared.



# Ensure Your Deed is UPL Complaint

## Meeting all Unauthorized Practice of Law requirements

There is no universal definition of an Unauthorized Practice of Law (UPL) in the United States. Every state has its own rules, and those rules are enforced by different authorities in different states. Even the penalties and fines vary.

That being said, the goal of all UPL rules is to protect residents from legal and financial harm caused by unauthorized individuals practicing law. Only lawyers can practice law. Unfortunately, many real estate professionals inadvertently break these rules by drafting and/or preparing real estate documents. This includes the preparation of deeds that transfer ownership, even if the ownership is between the same parties, such as a married couple to their living trust.

Though some states are stricter on UPL rules than others, remember that all states have the statutes to enforce them. Finding out which states are strict and which are lenient is not so simple. There is no public database kept up-to-date in real time. Typically the states that require licensed attorneys to take care of title closings have the most stringent UPL statutes. Most of these states are east of the Mississippi River.

## Attorney-prepared deeds

If a party to a deed transfer is not self-preparing, which is usually the case, it is highly recommended to either:

- a. Seek proper legal advice by a licensed attorney for that state on how to prepare a deed
- b. Simply hire a licensed attorney to prepare a deed

There are many online resources that provide blank templates that you can download. Others you can complete online.

## The final word

Before you prepare a deed in any state, know the rules. If you are going to hire a company to prepare deeds for you, make sure they work with licensed attorneys that will review or prepare the deeds you are requesting. You may also choose to hire a licensed attorney to handle your transactions. Be aware that licensed attorneys do charge for their time and expertise.



# Complete All State and County Forms

## Forms that accompany a deed as part of the title transfer

Many states have additional forms that must be completed and submitted with a deed at the time it is presented for recording. Some states, like California, have a Preliminary Change of Ownership Report form and allow you to pay \$20 to avoid having to submit the form while recording the deed. Still, you are required to complete the form and submit it after recording.

## County-by-county differences

But there are 58 counties in the State of California. Some of the counties will reject the entire deed, keep your \$20 and still require the form. Others may record the deed at the time but mail you the form to complete. Some states, like Washington, have a four-part form that you need to complete or print out four times – and sign four times.

Some counties in Florida allow you to complete their form online and then print, sign and submit it with your deed. Pay attention though. Some forms have additional fees on top of the deed recording fees and transfer taxes.

## The bottom line

Make sure you are aware of what forms you need before a closing is at hand. If you do not have all of the forms completely filled out it can delay recording of your deed.





# Calculate Recording Fees, Transfer Taxes and Other Hidden Fees

## Calculating the exact amount of money collected for recording

Believe it or not, it costs money to record a deed regardless of what county it is in. Fees can range from \$8 to \$245. Fees to record are based on everything from the number of pages to the number of people signing the deed. Some fees are based on the sale amount or consideration for the deed transfer. Transfer tax rates vary county by county too.

## How fees add up

The average county – take Los Angeles County, California for example – charges around \$30 to record a typical deed. But this \$30 fee does not include any transfer taxes that may be imposed by the County or even the city where the property is located. For instance, if the property is located in Santa Monica, California, and the sale amount was \$100,000, Los Angeles County would charge \$30 to record and then collect \$110 for transfer taxes and \$300 for the City of Santa Monica for its assessment of transfer taxes.

Recording fees for counties in the State of New York are around \$300, whereas in Philadelphia, Pennsylvania, it is around \$245.

Some counties offer exemptions to be used for transfers, usually to allow same parties (married couples for example) to avoid transfer taxes. This may include a husband and wife transferring their title to their home or timeshare to a Revocable Living Trust document. If they are the trustees of their trust, then the County will require a copy of that document to validate ownership of the transfer. If an exemption can be claimed, then transfer tax can be avoided – saving the owners money.

## The takeaway

Make sure you have all of the fees right, otherwise the recording office will reject your documents. Recording offices are fickle. Even if you owe them a dime, they will spend the \$3 in postage to send your documents back to you with a note saying you owe them a dime.

# Reduce Deed Rejection at the Recording Office

## Ensuring that your entire deed submission gets recorded

As if including all the correct information on the deed, gathering all the correct state and county forms and calculating all the fees correctly wasn't daunting enough, there is one more step to take. That is always the case with deed preparation, unfortunately. But this last step is one of the most important. It ensures that all your hard work isn't for naught.

## Pay attention to the details

When you send a deed in for recording, the recording office reviews each document for everything, even the margins on the deed. If you submit a deed that exceeds the margin requirements, it can be rejected. Or, it may still be recorded but you may get a rejection notice to submit more money when you send it back for a non-standard document fee.

Make sure the notary stamps are legible and not smeared. Double check that all required signatures are on the deed and not smeared. Any missing information on a deed will cause it to be rejected, and the same goes for any state or county forms. Triple check and make sure you have remitted the correct fees, even fees for forms that may be required.

## Words of wisdom

As we told you before, recording offices are fickle. They sweat the small stuff. Do yourself a favor and finish strong. Check and recheck the details. Failure to do so accounts for a huge portion of recording office rejections.





# Conclusion and Next Steps

## Review: Five ways to master deed preparation

Time to recap. Mastering deed preparation begins by recognizing the need to prepare your production team to think and perform at another level. This next level can be reached by following the five steps we presented to you in this white paper:

1. Know the correct deed requirements
2. Ensure your deed is UPL compliant
3. Complete all state and county forms
4. Calculate recording fees, transfer taxes and other hidden fees
5. Reduce deed rejection at the recording office

## The next step

The next step is a decision. Which deed preparation route you are going to take? You can either take the advice we gave you in this white paper, disseminate it and put it into practice, or you can streamline deed preparation and achieve recording success the easy way by having it done right by us. Contact **DeedNetwork** today to see what we can do for you!

## About DeedNetwork

### Flawless Deed Preparation

**DeedNetwork** provides the most comprehensive deed production service in the entire United States. In fact, **DeedNetwork** prepares and records deeds in all 50 states and in all 3,600 counties. Our attorney network provides unparalleled legal review of all required deeds to meet all UPL requirements. DeedPro can produce a completed deed in under 30 minutes.

### Flawless Execution

We understand the time crunch of closings, especially the end of each month when every closing is critical. **DeedNetwork** meets and usually exceeds the expectations of its clients and any SLAs.

Contact us at [info@deednetwork.com](mailto:info@deednetwork.com) or (888) 736-7990



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