WHAT IS A QUIT CLAIM DEED?

The meaning of a quitclaim deed lies, literally, within its name. The person, or grantor, giving the deed over to another person or estate, the grantee, is quitting any claim or interest he/she may have in the real property. Quitclaim deeds make no such promises, guarantees or warranties of a clear title to the property.

Whenever a property is sold by a local government due to unpaid property taxes, the buyer will normally only receive a quitclaim deed. It's also possible that mortgage lenders or other lien holders may still have a legitimate interest in the property. Clearing up those clouds on the title can take effort and cost, sometimes a significant amount of money. Many buyers often purchase title insurance from a title company to help protect against such issues.

A quitclaim deed makes no assurance that the grantor actually has an ownership interest in a property; it merely states that if the grantor does, he/she releases those ownership rights. As a result, when accepting a quitclaim deed, the buyer of a property accepts the risk that the grantor of the deed may not have a valid ownership interest and/or that there may be additional ownership interests in the property. Title insurance is not issued in conjunction with a quitclaim deed.