Law Offices
James J. Falcone
300 Capitol Mall, Suite 1800
Sacramento, California 95814

JFalconeLaw.com

916/442-4204

What Is the Difference Between a Grant Deed and a Quitclaim Deed? The assumption is often made that a "Grant" deed is better than a Quitclaim. Here is the Reason.

Under California law, a Grant Deed contains two implied covenants- these are promises that are not written into the deed itself.

In deed language, the "grantor" is the person or entity who grants the property and signs the deed; the "grantee" is the one who receives the interest in the property.

First is the implied covenant that, prior to this deed, the grantor has not conveyed the same interest in the property to anyone else. In other words, I grant this property to you, and I guarantee that I have not already given it to someone else. It is not a guaranty that I have good title.

Second is the implied covenant that the property conveyed is free of any encumbrance that the grantor has any control over. In other words, I grant this property to you, and I have not allowed a mortgage loan deed of trust to be recorded against it. In a typical real estate transaction, the seller contracts to convey the property free of all liens, which are paid off in escrow before the deed is recorded. This is then an accurate covenant.

Implied covenants my be excluded by express language in the deed itself. For example, the grant may be "subject to all encumbrances of record," or, in the typical case where there is an easement on the property, language stating the grant "excepting therefrom an easement..."

Grantees always want Grant Deeds, while Grantors may prefer to Quitclaim. Consideration of the implied covenants can allow the grantor to determine whether there is any risk in signing a Grant Deed, and allow them to consider allowing language carving out exceptions to the covenants.