



# HOW TO READ A PRELIMINARY TITLE REPORT

## Understanding the Key Sections of Your Prelim

A **Preliminary Title Report (“Prelim”)** is one of the most important documents in a real estate transaction. It provides a snapshot of the current condition of title and outlines what must be addressed before a policy of title insurance can be issued. Knowing how to read it helps agents, escrow officers, and clients avoid surprises and move transactions forward with confidence.

*Below are the key sections to review:*

### OWNER’S NAME/VESTING

This section identifies the current vested owner of record.

- Confirms who legally holds title to the property
- Verifies correct vesting (individual, trust, LLC, etc.)
- Helps ensure documents are prepared accurately
- Alerts parties to potential issues such as deceased owners or trust transfers

Errors in vesting can delay closing, so this is one of the first sections to review carefully.

### LEGAL DESCRIPTION

The legal description provides the precise way the property is described in public records.

- May be a lot and tract (common in subdivisions)
- May be metes and bounds (more common in rural areas)
- Must match exactly on all conveyance deeds

Unlike the property address, the legal description defines exactly what land is being conveyed.

### ASSESSOR’S PARCEL NUMBER (APN)

The APN is assigned by the county tax assessor for property tax identification purposes.

- Used for tax billing and county records
- Helpful for confirming the correct parcel of land
- Not a legal description, but a reference number

Always confirm the APN matches the property being sold.

## SCHEDULE A VS. SCHEDULE B

### SCHEDULE A - THE BASICS

**Schedule A** outlines the fundamental details of the transaction:

- Proposed insured parties
- Policy type(s) (owner’s and/or lender’s)
- Current Vesting
- Legal Description

**Schedule A** is the “who and what” is covered on the policy.

### SCHEDULE B - THE CONDITIONS

**Schedule B** is divided into two main parts:

**Requirements** - These are items that must be cleared or satisfied for clean title can be passed and a policy issued.

Examples include, but are not limited to:

- Payoff of existing open loans
- Payment of property taxes
- Clearance of any other liens or judgments

Requirements must be resolved prior to closing.

**Exceptions** - These are items that will remain on title after closing and will not be covered by the title insurance policy.

Examples include, but are not limited to:

- Easements
- CC&Rs
- Property taxes not yet due

Exceptions inform buyers and lenders of recorded matters affecting the property.

### THE PLAT MAP

The plat map (or parcel map) is a visual representation of the property.

- Shows lot boundaries and dimensions
- May identify easements and neighboring parcels
- Illustrates position in relation to surrounding parcels

Reviewing the plat map can help clarify access, easements, and boundary concerns.

### WHY THE PRELIMINARY TITLE REPORT MATTERS

The prelim is not just paperwork — it is a roadmap for closing. Reviewing it early allows potential issues to be addressed proactively, protects all parties involved, and ensures a smoother transaction.

If you have any questions about your Prelim, don’t hesitate to reach out to your account executive or Title Officer for more information!

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