

DEED IN LIEU OF FORECLOSURE – SAMPLE DEED RECITALS

Deeds given by grantors personally liable for payment of the indebtedness secured by the encumbrance:

"This deed is an absolute conveyance, the Grantor having sold said land to the Grantee for a fair and adequate consideration, such consideration, in addition to that above recited, being full satisfaction of all obligations secured by the mortgage (deed of trust) executed by _____ to _____, trustee, in favor of _____ (as beneficiary) recorded in book _____ page _____, _____ County Registry. Grantor declares that this conveyance is freely and fairly made, and that there are no agreements, oral or written, or other than this deed between Grantor and Grantee with respect to said land."

If a monetary consideration is being given in addition to the satisfaction of the indebtedness secured by the encumbrance, the amount received by the grantor should be set forth in the deed.

Deeds given by grantors not personally liable for the payment of the indebtedness secured by the encumbrance:

"Grantor declares that this conveyance is freely and fairly made, Grantor having sold said land to Grantee for a consideration equal to the fair value of Grantor's interest in said land; and Grantor further declares that there are no agreements, oral or written, other than this deed between Grantor and Grantee with respect to said land."

If the deed of trust is already in foreclosure, provision substantially similar to the below language is recommended:

This Deed is being made voluntarily by _____ to _____, who is the Beneficiary of a Deed of Trust covering the premises herein conveyed. The Grantors herein further understand that they do not have to make this Deed and that if they failed to make the payments on the Note secured by Deed of Trust and the said Beneficiary instituted foreclosure proceedings, that the Grantors herein would be entitled under the provisions of the United States Constitution, and specifically the 14th Amendment thereof, to be given timely notice of any such proceedings and an opportunity to be heard in a timely manner before they would be deprived of their title and rights in the premises, and fully understanding this, the Grantor. Still voluntarily and knowingly executes this Deed to the said Beneficiary in the said Deed of Trust, and hereby expressly waive their rights to such notice and hearing. The Grantors herein further state that they feel the execution of this Deed is to their best interest and that they are desirous of being relieved of the obligations under the said Note and Deed of Trust.