



# WHAT IS LAND CONTRACT?

A land contract is an installment contract in which the seller finances the purchase. The seller maintains the deed until satisfaction. It is comparable to owner financing. The buyer gives the seller a down payment and the seller acts as a bank; financing the balance of the purchase or sale price. The interest rate is negotiated by the parties.

The interest rate is negotiated and set by the parties involved. Land contracts can be created on or used on most types of property such as residential, land only, mobile home with land, commercial, mixed use.

## DURING THE COURSE OF A LAND CONTRACT

The buyer has possession of and equitable title to the property while the seller holds legal title.

If desired, the buyer may assign and convey his/her (buyer's) interest in this contract or any part thereof, provided, however, that such assignment or conveyance shall not impair the seller's security in the Premises.

Once the contract is in effect and for the duration thereof, the buyer will be responsible for all taxes and assessments.

The seller conveys legal title by way of a deed to the buyer when the agreement is satisfied: "...by good and sufficient grant deed, convey the premises to buyer on the conditions herein agreed, free and clear of any liens or encumbrances other than taxes and assessments for the current year..."



---

Contact Your Ticor Title Representative for more info.

---

