DEED IN LIEU OF FORECLOSURE

Leave the top 3 inches of this page blank for the recorder unless your county allows less.

This instrument was prepared by: _____, address _____, telephone _____.

After recording, return to: _____, address _____.

Send tax statements to: _____, address _____.

Parcel or tax ID number: _____

1. CONVEYANCE

For the consideration described in this deed, _____ (check one): [ ] an unmarried person; [ ] a married person; [ ] spouses married to each other, whose mailing address is _____ (the "Grantor"), (check one) [ ] grants, conveys and warrants [ ] releases and quitclaims to _____, whose mailing address is _____ (the "Grantee"), [ ] as nominee of _____ (the "Lender") [ ] which is also the "Lender," the real property described below, with all buildings, fixtures, improvements, easements and rights belonging to it (the "Property").

This deed is given in lieu of foreclosure of the Security Instrument described below. The Grantor also assigns to the Grantee the Grantor's rights to any insurance proceeds payable for damage to the Property and, if the Property is rented, the Grantor's rights as landlord under the leases listed in the Estoppel Affidavit.

2. THE PROPERTY

The Property is in _____ (the county, or the town in Connecticut, Rhode Island and Vermont), State of _____, and is legally described as follows (copy the description exactly from the current deed, or attach it as Exhibit A): _____ _____ _____

Street address, for reference only: _____. If the street address differs from the legal description, the legal description controls.

3. THE LOAN

The Lender holds a promissory note dated _____, in the original principal amount of $_____ (the "Note"), secured by a [ ] mortgage [ ] deed of trust on the Property recorded as _____ in the land records of _____ (name the county or town recording office) (the "Security Instrument"). Loan number: _____. Unpaid balance as of the date of this deed, according to the Lender's records: $_____.

This general template is provided for informational purposes only and does not constitute legal advice. Requirements vary by state and locality; review current law and attach any disclosures or addenda your situation requires before signing. For a guided state-specific document, visit lawvault.org.

Reason for this deed (check one): [ ] the Grantor is in default and cannot bring the loan current; [ ] the Grantor cannot pay the Note as agreed and has not been able to sell the Property for enough to pay it off; [ ] the Lender offered to accept a deed in place of foreclosure; [ ] other: _____.

4. CONSIDERATION

In exchange for this deed (check one): [ ] the Lender releases the Grantor from all personal liability for the debt evidenced by the Note and will not seek a deficiency judgment; [ ] the Lender will credit $_____ against the debt and keeps the right to collect any remaining balance to the extent the law allows; [ ] the terms are set out in a separate written agreement dated _____, which controls if it conflicts with this deed on those terms.

Relocation payment, if any: the Lender will pay the Grantor $_____ within ten days after the Grantor delivers possession. The Grantor acknowledges that this consideration is fair and adequate.

5. TITLE

If this is a warranty deed: the Grantor warrants that the Grantor owns the Property in fee simple, has the right to convey it, and that it is free of liens other than the Permitted Exceptions, and will defend the title against the lawful claims of all persons. Permitted Exceptions: the Security Instrument and any other lien held by the Lender; current real estate taxes not yet due; easements and restrictions of record; and these disclosed liens: _____.

If this is a quitclaim deed: the Grantor makes no warranty of title, and the Grantee takes the Property subject to the Security Instrument and all other matters affecting title.

6. NO MERGER AND ABSOLUTE CONVEYANCE

The lien of the Security Instrument does not merge into the fee title conveyed by this deed. It stays in effect, with its priority, until the Lender records a document releasing it or stating that the Lender intends a merger, and the Lender may foreclose it to cut off junior liens.

This deed is an absolute conveyance of title, not a mortgage or other security, and the Grantor keeps no right to redeem or repurchase the Property. The Grantor signs it freely and voluntarily, not under duress, coercion or undue influence.

7. POSSESSION AND CONDITION

The Grantor will vacate the Property and deliver possession and all keys and access codes to the Lender on or before _____, (check one) [ ] empty of the Grantor's belongings and broom-clean, with no damage beyond normal wear [ ] as is, in its present condition. Known conditions: _____. Until then the Grantor will keep utilities on and the Property secure. Lender contact for the handover: _____.

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8. GENERAL TERMS

"Grantor" means each person named as Grantor, together and individually. This deed binds and benefits the parties and their heirs, personal representatives, successors and assigns, and is governed by the law of the state where the Property is located. If any part is held invalid, the rest remains in effect.

Signed on _____.

SIGNATURES

Grantor

Signature: _____ Date: _____

Printed Name: _____

Grantor

Signature: _____ Date: _____

Printed Name: _____

Grantor's spouse (if joining)

Signature: _____ Date: _____

Printed Name: _____

WITNESSES (IF YOUR STATE REQUIRES THEM)

Florida requires two witnesses and Georgia one witness besides the notary; a few other states also expect witnesses. Each witness signs, prints a name and gives a mailing address, and should not work for the Lender.

Witness 1: _____ Printed name: _____-
Address: _____

Witness 2: _____ Printed name: _____-
Address: _____

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ACKNOWLEDGMENT

State of _____, County of _____

On _____, before me, the undersigned notary public, personally appeared _____, known to me or proved to me through satisfactory evidence of identity to be the person whose name is signed on this deed, who acknowledged signing it voluntarily for the purposes stated in it.

Notary Public: _____ Printed name: _____ My commission expires: _____ (Seal)

California and New York set their own acknowledgment wording. Ask your notary to use your state's form. Each signer needs an acknowledgment.

ESTOPPEL AFFIDAVIT

State of _____, County of _____. _____ (the "Affiant"), being first duly sworn, states: (1) the Affiant owns the Property described in the deed in lieu of foreclosure above and gives it freely and voluntarily, not under duress or undue influence, after having the chance to consult a lawyer; (2) the deed is an absolute conveyance, not a mortgage or security, and there is no agreement to convey the Property back; (3) the consideration is fair and adequate and not less than the fair value of the Property; (4) the deed is not given to hinder, delay or defraud any creditor, and the only liens or claims against the Property other than the Lender's that the Affiant knows of are: _____; (5) the Property is leased only under these leases, if any: _____; (6) the Affiant will deliver possession on or before _____. The Affiant knows the Lender, the Grantee and any title insurer will rely on this affidavit.

Affiant: _____ Affiant: _____

Subscribed and sworn to (or affirmed) before me on _____ by _____.
Notary Public: _____ My commission expires: _____ (Seal)

BEFORE YOU RECORD

Get the lender's written approval first: a lender does not have to accept a deed in lieu, and other liens such as a second mortgage or judgment can stay on the property. Many states add recording requirements, such as a preparer statement, page margins, a confidentiality notice (Texas), a land use statement (Oregon), a consideration certificate (Kentucky) or a transfer tax form. Check with the local recording office (the town clerk in Connecticut, Rhode Island and Vermont; the Bureau of Conveyances in Hawaii), or use the LawVault builder, which prints your state's version. A deed in lieu may be taxed or exempt from transfer tax depending on the state; ask the recording office and claim any exemption that fits. In Illinois, the lender's acceptance releases the borrower from personal liability unless the borrower agrees in a separate document signed at the same time to stay liable (735 ILCS 5/15-1401), so a reserved deficiency needs that separate agreement. This template is not for property in Louisiana. Forgiven debt can be taxable; read IRS Topic No. 431. This template is not legal advice.

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