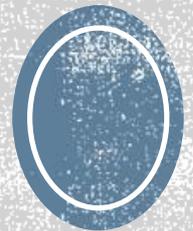




Real Property

Class 12



Recording System

- Functions:
 - A way to research whether your seller has title to the property he is trying to sell you
 - A way to prove your receipt of the deed against later claims by the seller
 - A notification to the public of liens on a parcel of land
- Indexes:
- Grantor-Grantee Index:
 - Lists the history of **grantors** alphabetically and the history of **grantees** alphabetically
 - *As a buyer, you want to see your seller in the grantor index, but not in the grantee index*
- Tract Index:
 - Lists the conveyance histories of each parcel



The Recording Acts

- **Notice Statute:**

- "No conveyance is valid against a subsequent bona-fide purchaser who has no notice of the original conveyance, unless the conveyance is first recorded."
- [The first purchaser's deed has to be recorded before the second purchase to defeat the second good faith purchaser]

- **Race-Notice Statute:**

- "No conveyance is valid against a subsequent bona-fide purchaser who has no notice of the original conveyance and who has recorded the deed to his conveyance first."
- [To prevail, the second purchaser must be a bona-fide purchaser and must record his deed before the first purchaser does his]

- **Race Statute:**

- Whichever party records first wins!

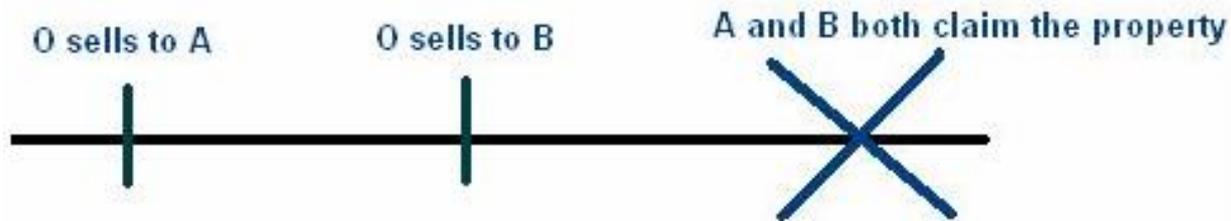


QUIZ TIME!



The Problem of the Dirty Double Dealer – Part 1

Scenario 1



Rules:

Common Law: A would win

Modern Law: If no recording system is available, A wins

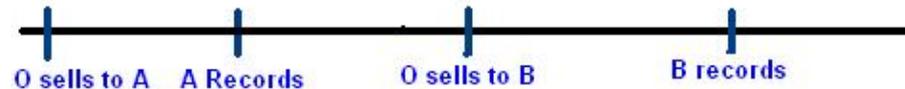
If there is a recording system, it depends who recorded first



The Problem of the Dirty Double Dealer – Part 2

Scenario 2

Timeline:



Irrelevant whether B knew about the conveyance to A!!

A Wins in all jurisdictions because:

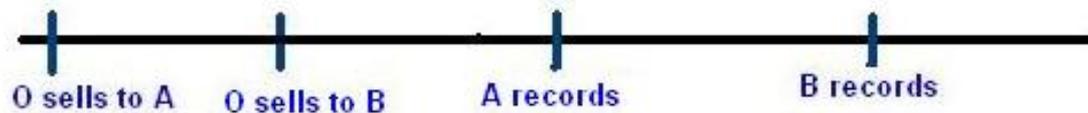
- (in notice jurisdictions) B is not a bona-fide purchaser because he should have researched and known about the conveyance from O to A before he bought it)
- (in race-notice jurisdictions) A recorded first and because B is not a bona-fide purchaser
- (in race jurisdictions) A recorded first



The Problem of the Dirty Double Dealer – Part 3

Scenario 3

Timeline:



B did not know about the conveyance to A!!

Who wins?

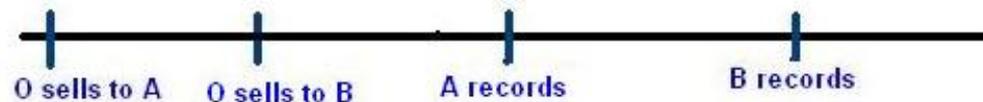
- In notice jurisdictions B wins because B is a bona-fide purchaser who bought the property without notice of the prior sale
- In race-notice jurisdictions: A wins because A recorded first
- (in race jurisdictions) A wins because A recorded first



The Problem of the Dirty Double Dealer – Part 4

Scenario 4

Timeline:



B did know about the conveyance to A!!

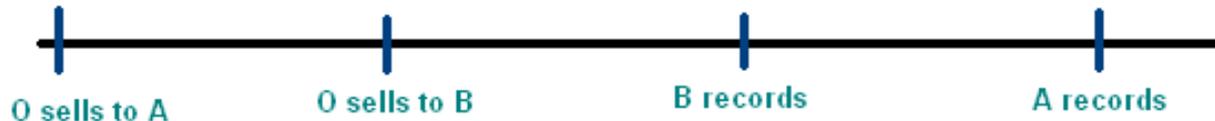
Who wins?

- In notice jurisdictions A wins because B is not a bona-fide purchaser because B did not buy the property in good faith
- In race-notice jurisdictions: A wins because A recorded first and because B is not a bona-fide purchaser
- (in race jurisdictions) A wins because A recorded first



The Problem of the Dirty Double Dealer – Part 5

Scenario 5



B did not know about the conveyance to A!!

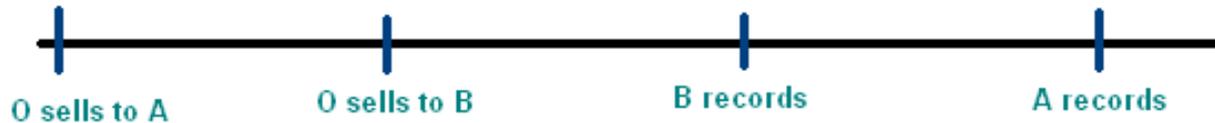
Who wins?

- In notice jurisdictions B wins because B is a bona-fide purchaser who bought the property in good faith
- In race-notice jurisdictions: B wins because B recorded first
- (in race jurisdictions) B wins because B recorded first



The Problem of the Dirty Double Dealer – Part 6

Scenario 6



B did know about the conveyance to A!!

Who wins?

- In notice jurisdictions A wins because B is not a bona-fide purchaser
- In race-notice jurisdictions: A wins because B is not a bona-fide purchaser
- (in race jurisdictions) B wins because B recorded first

