



THINGS TO KNOW DURING PROPERTY TRANSFER

May 2017

Whenever there is a property transfer, documents should be submitted to the Office of the Assessor-Recorder to create a record of new ownership.

We maintain an archive of recorded public documents such as marriage licenses, parcel maps and most importantly, deeds and other documents related to real property transfers.



COMMONLY RECORDED DOCUMENTS WHEN TRANSFERRING PROPERTY

📄 A **Deed** is the document that transfers ownership of real property. It contains the names of the old and new owners, a legal description of the property, and is signed by the person transferring the property. A transfer of real estate must be in writing to be enforceable.

Two common types of deeds:

A **Grant Deed** transfers ownership and guarantees that the title has not already been transferred to someone else or been encumbered, except as set out in the deed.

A **Quitclaim Deed** transfers whatever ownership interest a person has in a property. It makes no guarantees about the extent of the person's interest.

📄 A **Deed of Trust** is usually recorded with a deed as most property transfers involve financing. A deed of trust secures the repayment of a loan with real estate by involving three parties: the borrower, the lender and the trustee. In the event that the borrower defaults on the terms of the loan and fails to pay the lender, real property interest would be transferred to a third party trustee.

****All deeds transferring ownership must be accompanied by a Preliminary Change of Ownership (PCOR) and a Transfer Tax Affidavit. Please check our website for more information.*

OTHER RECORDED DOCUMENTS RELATED TO PROPERTY

Reconveyance: Recorded when a deed of trust or mortgage is paid in full.

Substitution of Trustee: Recorded when the present loan borrower wants to substitute a new trustee under the Deed of Trust.

Lien: An encumbrance that makes property the security for the payment of a debt or discharge of an obligation. *(If you have received a copy of a lien or a Notice of Tax Lien from our office, contact the person or agency that filed the lien. By law, we cannot make any changes on a lien document.)*

WANT TO SEARCH THE RECORDS?

Documents recorded with our office are public records. You are welcome to conduct your search at our office or online.

Search Online: The CRiis (CRiis.com) search tool can help you locate documents recorded in San Francisco since 1990. You can search by name, document number, or Block & Lot numbers. CRiis will only show partial document information. To see the actual document or to obtain a copy, you will need to visit our office or request by mail.

In Office: Use one of our computer terminals or the microfiche & microfilm machines. (Office hours are Mon-Fri 8am-5pm, except legal holidays.)

TRANSFER TAX

Transfer tax is imposed on the transfer of real property from one person (or entity) to another. According to the San Francisco Business and Tax Regulations Code, transfer tax must be collected by our office on all deeds or instruments conveying title, unless **exempted**. Common exemptions for transfer tax are listed below.

Exempted:

- ✓ Transfer between a married couple or between domestic partners
- ✓ Gifts
- ✓ Inheritance
- ✓ Transfers that solely change the method of holding title. The proportional ownership interest remains the same before and after the transfer.

Transfer Tax Calculator: The transfer tax rate is variable, depending on the purchase price OR the fair market value, as shown in the chart below.

If entire value or consideration is...	Tax rate for entire value or consideration is...
More than \$100 but less than or equal to \$250,000	\$2.50 for each \$500 or portion thereof
More than \$250,000 but less than \$1,000,000	\$3.40 for each \$500 or portion thereof
\$1,000,000 or more but less than \$5,000,000	\$3.75 for each \$500 or portion thereof
\$5,000,000 or more but less than \$10,000,000	\$11.25 for each \$500 or portion thereof
\$10,000,000 or more but less than \$25,000,000	\$13.75 for each \$500 or portion thereof
\$25,000,000 or more	\$15.00 for each \$500 or portion thereof

EXAMPLE: A property sold for \$850,000 falls into this tax tier, so the tax rate is \$3.40 for each \$500. Transfer tax due would be **$850,000 \div 500 \times \$3.40 = \$5,780$**



METHODS OF HOLDING TITLE:

There are different ways to take ownership of your property, they are referred as methods of holding title. How you hold title may have implications on property taxes, income taxes, inheritance and gift taxes, transferability of title upon death or otherwise, and exposure to creditor's claims. Please consult with an attorney or a certified accountant to understand your options.

Common methods of holding title include Sole Ownership, Community Property, Community Property with Right of Survivorship, Joint Tenancy, and Tenancy-in-Common (TIC), Corporation, Partnership, Limited Liability Companies (LLC).

**** Disclaimer:** Information on this document is not constructed as legal advice but is designed merely to help you understand the role our office plays during property transfer. By law, our staff are prohibited from providing legal advice or assisting in document preparation. If you have any questions regarding your personal finance, it is recommended that you consult with an attorney or a certified accountant.