

In Michigan, both quitclaim deeds and warranty deeds are legal documents used to transfer ownership of real property. However, they differ significantly in the level of protection they offer to the buyer (grantee). Here's a detailed explanation of each:

Quitclaim Deed

A quitclaim deed in Michigan is a legal instrument that transfers any interest the seller (grantor) has in a property to the buyer (grantee). The key characteristic of a quitclaim deed is that it makes no warranties or guarantees whatsoever about the title to the property.

Here's a breakdown of what that means:

- **Transfer of Existing Interest:** The grantor only conveys whatever interest they currently possess in the property. This could be full ownership, partial ownership, or even no ownership at all.
- **No Guarantees:** The grantor does not guarantee that they have clear title, the right to sell the property, or that the property is free from liens, encumbrances, or other claims.
- **"As-Is" Transfer:** The property is essentially transferred "as-is," with all existing defects in the title, whether known or unknown. The grantee bears the entire risk of any title problems.
- **Limited Recourse:** If title issues arise after the transfer, the grantee generally has no legal recourse against the grantor under a quitclaim deed.

Common Uses of Quitclaim Deeds in Michigan:

Given the lack of protection, quitclaim deeds are typically used in situations where there is a high degree of trust between the parties or where the transfer is not a traditional sale. Examples include:

- **Transfers between family members:** Gifting property between parents and children, spouses, or other close relatives.
- **Divorce settlements:** Transferring ownership of a marital home from one spouse to the other.
- **Adding or removing a spouse from a title.**
- **Transferring property to a living trust or business entity owned by the grantor.**
- **Correcting errors on a previous deed.**
- **Releasing a potential claim to a property.**

Key takeaway: A quitclaim deed is a simple way to transfer whatever interest a person has in a property without making any promises about

the quality of the title. The buyer accepts the risk.

Warranty Deed

A warranty deed in Michigan offers the most protection to the buyer. In this type of deed, the seller (grantor) makes certain legally binding promises (warranties or covenants) to the buyer (grantee) regarding the title to the property.

There are generally two types of warranty deeds in Michigan:

- **General Warranty Deed:** This provides the most comprehensive protection. The grantor warrants the title against all defects arising at any time in the property's history, even those that existed before the grantor owned the property.
- **Special Warranty Deed (or Covenant Deed):** This offers a more limited warranty. The grantor only warrants the title against defects that arose during their ownership of the property. They do not make promises about what happened before they took ownership. This type of deed is often used by banks selling foreclosed properties or by executors of estates.

The grantor in a warranty deed typically makes several covenants, including:

- **Covenant of Seisin:** The grantor warrants that they own the property and have the right to convey it.
- **Covenant of Right to Convey:** The grantor warrants that they have the legal authority to sell the property.
- **Covenant Against Encumbrances:** The grantor warrants that the property is free from all liens, mortgages, easements, or other encumbrances unless specifically stated in the deed.
- **Covenant of Quiet Enjoyment:** The grantor warrants that the grantee will have undisturbed possession and enjoyment of the property without lawful claims from others.
- **Covenant of Warranty:** The grantor promises to defend the grantee's title against any lawful claims and to compensate the grantee for any losses if the title is found to be defective.
- **Covenant of Further Assurances:** The grantor promises to take any future actions necessary to perfect the grantee's title.

Common Uses of Warranty Deeds in Michigan:

Warranty deeds, especially general warranty deeds, are the standard in most arms-length real estate sales where the buyer wants assurance that they are receiving clear title to the property. Lenders typically

require a warranty deed to protect their investment.

Key takeaway: A warranty deed provides the buyer with significant protection against title defects. The seller legally guarantees the quality of the title and agrees to defend against future claims.

Key Differences Summarized

Feature	Quitclaim Deed	Warranty Deed
Title Guarantee	None	Yes (general or limited, depending on the type)
Grantor's Liability	Minimal; no guarantee of clear title	Significant; liable for title defects
Buyer's Risk	High; buyer assumes all title risks	Low (with general warranty deed) to moderate (with special warranty deed)
Common Uses	Transfers between trusted parties, correcting titles, divorce, etc.	Traditional real estate sales, especially with financing
Protection for Buyer	Least	Most (general warranty) to moderate (special warranty)

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In conclusion: When buying property in Michigan from someone you don't know well or when taking out a mortgage, a warranty deed is generally preferred due to the protection it offers. A quitclaim deed is more suitable for transfers between trusted parties or in situations where the title is already well-known and the parties are comfortable with the inherent risks. It's always advisable to seek legal counsel to determine the most appropriate type of deed for your specific situation.