USDA-RD
Form-RUS MN 1927-9
Rev. 12/04, OGC-St. Paul

Position 5

PRELIMINARY TITLE OPINION

Loan Applicant	Address of Property	
Applicant for Title Examination	County	State

I. At the request of the above-named applicant for title examination, I have examined title to the real property described in attached Schedule A, offered as security in connection with a loan to be made or insured by the United State of America, acting through Rural Development.

II. My examination covered the period commencing with _____, filed for record on __ _____, 20___, at _____m. o'clock, to _____,20___, at _____m. o'clock.

III. Based on said examination and any additional information concerning the title which has come to my attention, it is my opinion that title to the property, subject only to the encumbrances, reservations, exceptions, and defects, and the provisions of any security instrument authorizing future advances which would have priority over the proposed Rural Development security instrument, all of which are set forth at the end of the description, is vested in the following party or parties:

IV. In order to vest good and marketable title in fact to the property in the loan applicant or in the loan applicant and co-applicant as required or permitted by Rural Development, subject only to the encumbrances, exceptions, and reservations which under written authorization from the Rural Utilities Service may remain outstanding, the following satisfactions, releases, payments, quitclaim deeds, warranty deeds, or affidavits or other conveyances or curative instruments, must be obtained and,, unless otherwise indicated, recorded:

V. The names of the parties, in addition to the loan applicant, who must execute the security instrument in order to give Rural Development a lien free and clear of marital rights and homestead rights, are:

VI. I will assist in closing the loan and promptly render a supplemental opinion covering the interval from the terminal date of the search covered by this Opinion to the time when the real estate security instrument and any other necessary instruments executed in connection with the loan are filed for record.

VII. I have made the title examination, and issue this Opinion, in accordance with the requirements on the reverse of this form. This Opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America, acting through Rural Development, and I assume liability to each hereunder.

_____ (Date)

_____ (Attorney's Signature)

_____ (Address including Zip Code)

REQUIREMENTS

A. ***Alterations and omissions.*** ***If any required information is omitted, the Rural Development Field Employee is not authorized to accept the Opinion but must return it to the attorney for completion. If the attorney is unable or unwilling to complete it, it may be sent by the Rural Development Field Employee with a full explanation, to the Office of the General Counsel, which may approve or disapprove it.***

B. ***Property description.*** ***The attorney must attach a sheet containing a full legal description of the land followed by a recital of all encumbrances, reservations, exceptions, and defects. If a water right is to be included in the security for the loan, the attorney must also attach a full legal description of the water right followed by a similar recital. Land or water right may be described by reference to a legally adequate description contained in a recorded instrument, the original or a certified copy of which is in the permanent possession of Rural Development. If the description of the property, whether given in full or by reference, is not legally adequate, the deficiency must be listed as a title defect and the necessary curative action included under paragraph IV.***

C. ***The term "encumbrances, reservations, exceptions, and defects"*** ***means all matters which would prevent the United States from obtaining the required lien on the property identified in paragraph I, including but not limited to (a) mortgages, deeds of trust, and vendors', mechanics', materialmen's and all other liens, including any provisions thereof for future advances which could take priority over the said lien to the United States, (b) Federal, State, and local taxes, including county, school, improvement, water, drainage, sewer, inheritance, personal property, and income, (c) State and Federal bankruptcy, insolvency, receivership, and probate proceedings, (d) judgements and pending suits, in State and Federal Courts, (e) leases, easements, and mineral reservations, and (f) legally inadequate property descriptions.***

D. ***Period of Title Search.*** ***The title search must cover such period as the examining attorney determines necessary to issue his opinion that the title is good and marketable in fact according to title examination standards prevailing in the area. Said title search period will be a minimum of 40 years.***

E. ***Property of different owners.*** ***Separate opinions must be furnished for property of different owners.***

F. ***Vesting and Holding Title.*** ***See FmHA Instruction 1927-B.***

G. ***See FmHA Instruction 1927-B for additional requirements.***