

ABSTRACT vs. TORRENS PROPERTY IN MINNESOTA

There are two different ways of owning and indexing real property in Minnesota: Abstract Title (non-registered land), and Torrens (registered land).

ABSTRACT PROPERTY:

An Abstract of Title are documents following a chain of ownership, affecting the title to the property. This information is compiled in an abstract or title report by an abstract company. Ownership of an abstract property depends on a continuous 40-year chain of title, so every deed and mortgage from the past forty years must be reviewed to determine if anyone other than the deed owner has a claim to the property (IE; judgments, liens, etc). When Abstract property is sold or mortgaged, the new owner or lending institution will conduct a title search to determine if the property is clear of liens or encumbrances.

TORRENS PROPERTY:

A Certificate of Title is issued to a new owner if the land is Torrens Property, which forgoes the need for a chain of title with abstract property. Each time an owner transfers property, a new Certificate of Title is created in the new owners' name and the previous title is cancelled. Only information that is currently relevant to title is shown; these are called memorials or recitals on the certificate. If the property is sold at auction, foreclosure or sheriff sale, the court or title examiners office, will determine what recitals are memorialized on the new certificate, in the new owners name. Once a Torrens certificate of title is registered, no one can gain adverse possession rights against the title except by way of judgment, or lien issued by a court or directive.

*Information contained within, is given for informational purposes only and have not been verified by a court, examiners office or offers any guarantee of accuracy.