

## Common Options of Holding Title

### Overview

There are several options for holding title to a property, each having implications on transfer, financing, and collateralization.

*The content presented is intended to convey general information and is for informational purposes only and does not constitute legal or accounting advice or opinions. An attorney or accountant should be consulted for specific information*

### Sole Ownership

This option is the most common and is held by single individuals, married individuals who hold property apart from their spouse, and businesses that have a corporate structure allowing them to hold interest in a property.

- The transaction is relatively straightforward because no other parties need to authorize the transaction. If someone wants to hold title apart from their spouse, the spouse may have to disclaim or relinquish their right to the ownership in the property.

### Joint Tenancy

This option occurs when two or more people hold title to a property jointly, with equal rights during their lives. If one owner dies, their rights of ownership pass to the surviving owner.

- Neither owner needs to be married or related to each other for ownership to be held as joint tenants, and the responsibility for the property, including any financial burden related to the property, belongs to everyone.

### Tenancy in Common

This option refers to undivided ownership between two or more people in amounts that may be equal or unequal. Ownership percentage determines their financial ownership of the property. All other aspects of the property, including right to occupy and use, are shared by all owners of the property. Ownership can be willed to other parties, and in the event of death, ownership will transfer to the owner's heirs undivided.

- All owners share the liability for any debts or taxes on the property.

### Tenants by the Entirety

This option can only be used when the owners are legally married. It conveys ownership to them as one person, with the title transferred to the other in entirety if one of them dies.

- The transfer of the property must be done together and cannot be subdivided. If the parties get divorced, the title automatically converts to tenancy in common and one owner can then transfer ownership of their interest in the property to whomever they wish.

### Community Property

This option is typically for specific states that have community property laws for married couples that intend to own a property together. Each spouse owns everything equally and may receive an equal division of the property in the event of divorce or death. In certain states it can include property acquired during a common-law marriage.

- Current community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

