



# Vesting Definitions

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## VESTING = HOLDING TITLE = OWNERSHIP

The concept of "title" can be loosely translated to mean "the ownership" of real property. The manner or percentage of interest in which people can hold this ownership to real property is called "vesting."

These are the three most common ways in which multiple individuals can be vested to real property in Oregon:

### **Tenants by the Entirety**

Applicable to married couples only; the husband and wife own the property together as one entity. Upon the death of one spouse, the surviving spouse owns the property. The property is not subject to the probate of the deceased spouses' estate.

### **Tenants in Common**

Under this form of vesting, each individual, called a co-tenant, will own specific percentage interests in the property. The interest of each co-tenant will pass into his/her estate, and is therefore subject to probate.

### **Rights of Survivorship**

Although *Oregon has no joint tenancy in real property*, this form of vesting is a backdoor attempt to create it. Each owner in the property has a life estate: That is, an interest in the property for only as long as they live. The individual who outlives his/her fellow holders of life estates ends up owning the property. Individuals who want to hold title in such a manner that avoids probate and enables the sole survivor to retain ownership, may use this form of vesting.

*Individuals and customers should be encouraged to consult with an attorney to make sure the form of vesting he/she chooses has no unforeseen consequences, and that the form of vesting is compatible with the intent of the individuals.*

### **Changes in Vesting**

Most often deeds, when signed and recorded in the county records, are used to transfer ownership or change the form of vesting. However, decisions of a state circuit court as filed (i.e. dissolution of marriage, probate of a deceased individual, "quiet title" suits or other lawsuits) will also transfer ownership or change the form of vesting. The important thing to remember is that only documents or actions in the public records will be considered in a title insurance policy.