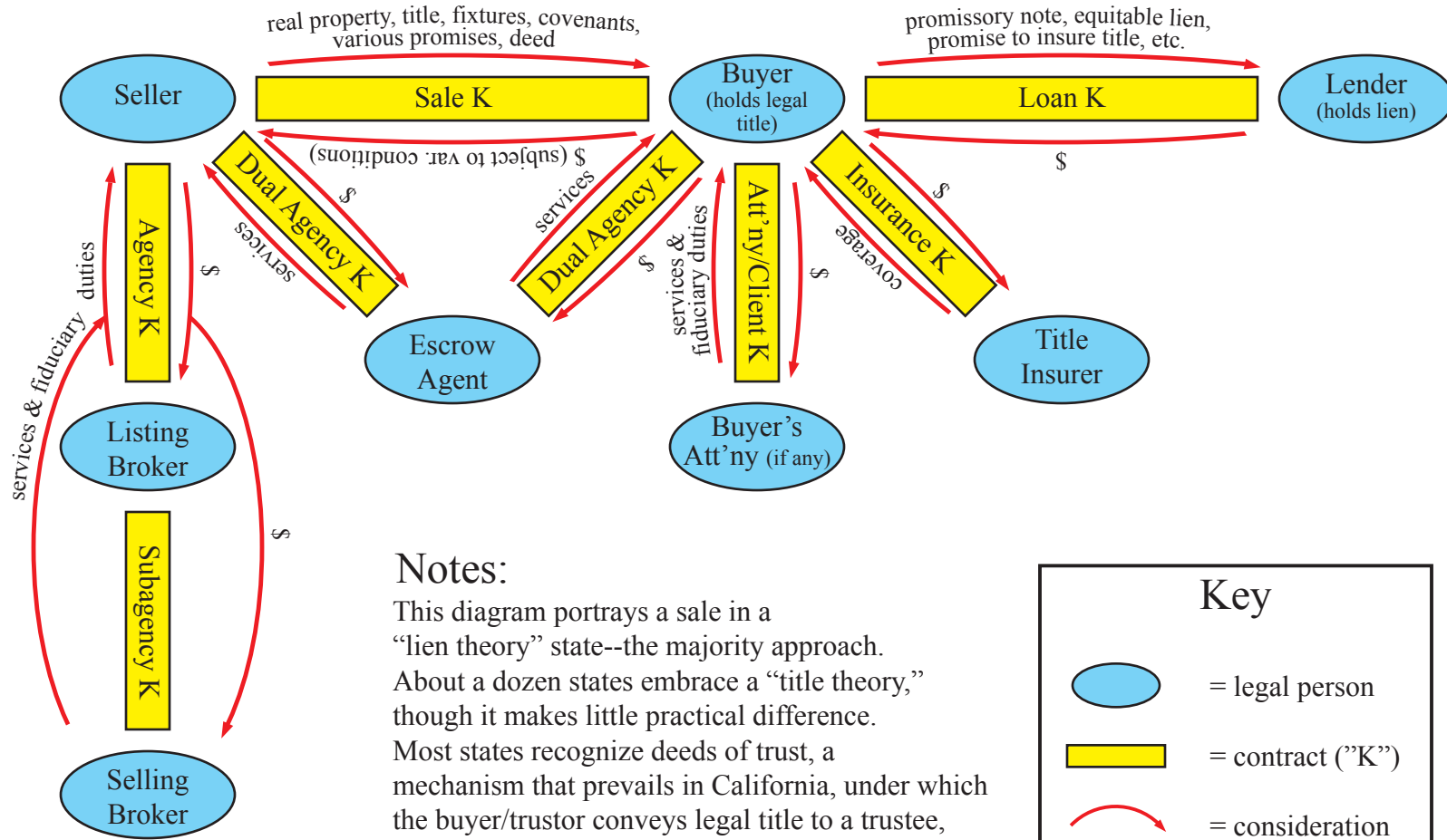


A Typical Sale of Real Property



Notes:

This diagram portrays a sale in a "lien theory" state--the majority approach. About a dozen states embrace a "title theory," though it makes little practical difference. Most states recognize deeds of trust, a mechanism that prevails in California, under which the buyer/trustor conveys legal title to a trustee, who holds it on behalf of the lender/beneficiary.

