

[Date]

[Buyer Name]
[Buyer Address]
[City, State, Zip]

RE: Notice of Title Encumbrance - [Property Address]

Dear [Buyer Name],

This letter is to formally advise you regarding the status of the title search for the property located at [Property Address].

During the title examination process, a "cloud on title" was identified. A cloud on title refers to any document, claim, unreleased lien, or encumbrance that might invalidate or impair the title to real property or make the title doubtful.

The specific issue(s) identified include:

- [Description of issue, e.g., Unpaid contractor lien]
- [Description of issue, e.g., Incorrectly recorded deed]
- [Description of issue, e.g., Pending litigation/divorce decree]

Impact on Transaction:

Until these issues are resolved (cleared), the seller may be unable to convey a "marketable title." This may affect your ability to secure financing, obtain title insurance, or resell the property in the future.

Recommended Actions:

1. Review the preliminary title report carefully with legal counsel.
2. Request that the seller provide a formal "Quiet Title" action or obtain the necessary releases/quitclaim deeds.
3. Consult with your mortgage lender to determine if this affects your loan approval.
4. Do not waive title contingencies until you receive written confirmation that the cloud has been removed.

Please acknowledge receipt of this advisory by signing below.

Sincerely,

[Your Name/Agent Name]
[Company Name]

Acknowledgment:

I/We have received and read this Buyer Advisory regarding the Cloud on Title.

Buyer Signature

Date