



Title Vesting

Methods of Holding Title in Oregon

Tenancy by the Entirety

Tenancy by the entirety is a form of ownership recognized in Oregon that is available only to legally married husband and wife. The law sees the husband and wife as one person. Therefore, they do not own one-half interests in the property, but each own the entire property. When either spouse dies, the survivor doesn't inherit the decedent's interest, but continues to own the entire property. A tenant cannot will his interest in the property to someone else. If a married couple divorces, they would then automatically hold title as tenants in common, unless their divorce decree stated otherwise.

Tenancy in Common

A tenancy in common is created when two or more people each have an undivided interest in the same property. To have an undivided interest is to be a partial owner of the whole property, not the sole owner of a separate piece of the property. Co-owners have equal rights of possession, but might or might not have equal interests (percentages of ownership). Tenancy in common does not include rights of survivorship. Co-owners can sell or otherwise dispose of their share of the property without regard to the other co-owners.

Not as Tenants in Common, But With Rights of Survivorship

As the wording implies, this creates a survivorship between the vested owners. In the event of one owners death, the property vests in the surviving owner.

Trust*

A trust is an arrangement whereby legal title to the property is transferred by the grantor to a person called a trustee, to be held and managed by that person for the benefit of the people specified in the trust agreement, called beneficiaries.

Partnership*

A partnership is an association of two or more persons who can carry on business for profit as co-owners, as governed by the Uniform Partnership Act. A partnership may hold title to real property in the name of the partnership.

Corporation*

A corporation is a legal entity, created under state law, consisting of one or more shareholders but regarded under law as having an existence and personality separate from such shareholders.

Assumed Business Name*

The term "assumed business name" means one or more words or numerals (or a combination of words or numerals) that a person uses to identify a business or conducts a business under, where the person does not conspicuously disclose the "real and true name" (surname and initials) or each person who is carrying on or conducting the business. If property is held in this manner it must state both the party doing business and the entity, ie, John Q. Smith dba Smith and Sons Realty.

Limited Liability Company (LLC)*

This form of ownership is a legal entity and is similar to both the corporation and the partnership. The operating agreement will determine how the LLC functions and is taxed. Like the corporation its existence is separate from its owners.

Remember: How title is vested has important legal consequences. You may wish to consult an attorney to determine the most advantageous form of ownership for your particular situation.

*In cases of corporate, partnership, LLC or trust ownership, required documents may include corporate articles and bylaws, partnership agreements, LLC operating agreement and trust agreements and/or certificates.

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