

FAQS

ABOUT TITLE INSURANCE

A REALTORS AND LENDERS #1 RESOURCE - NATIONWIDE



What is title insurance?

Title insurance is your policy of protection against loss if any hidden problems result in a claim against your ownership.

How much could I lose if a claim is filed against my property?

That depends on the claim. In an extreme case, you could lose your entire home and property-and still be liable to pay off the balance of your mortgage. Most claims aren't that dramatic, but even the smallest claim can cost you time, money and aggravation, and possibly legal defense.

The owner of the property has a deed. Isn't that proof of ownership?

Not necessarily. A deed is just a document by which the right of ownership in land is transferred, whatever that right may be. It's not proof of ownership, and it doesn't do away with rights others may have in the property. In addition, a deed won't show you liens or claims that may be outstanding against the title.

Wouldn't an abstract show property limitations and restrictions?

Maybe-and maybe not. An abstract is a history of the property title as revealed by the public records. Abstracts may contain errors and do not disclose "hidden hazards" that can threaten your property title if you do not have a title insurance policy.

What about an attorney's opinion?

An attorney's opinion is based on a search of the public records. So, once again, even the most exhaustive search of these records may not reveal everything. Unlike a title insurance company, an attorney is not liable if you should suffer loss because of "hidden hazards" in the title.

If the previous owner had a title search done, why do I need another one?

Because the owner could, in a very short time, do many things to encumber the title. For example, he could add grand easements or construct improvements that encroach on adjacent property. He could get married or divorced, or have a lien filed against

the property. It is necessary to conduct an up-to-date title search to uncover any such problems every time a property is sold.

If the builder of my home already has title insurance on the property, why do I need it?

A title policy insuring the builder does not protect you. Also, a great many things could have happened to the land since the builders policy was issued. Liens, judgments and unpaid taxes for which prior owners were responsible may be disclosed after you purchase the property-causing you aggravation and costing you money.

Are there different types of title insurance policies?

Yes. Basically, there are two types of policies- a loan policy and an owners policy. The loan policy protects the lender's interest in the property as security for the outstanding "balance under the buyer's mortgage. The owner's policy safeguards the buyer's investment or equality in the property up to the face amount of the policy.

How much does title insurance cost?

Probably a lot less than you think. Charges vary in different sections of the country, but generally the cost of title insurance amounts to about 1% or less of the cost of the property. Title premiums are paid one time only at the time of settlement.

How long does my coverage last?

For as long as you or your heirs retain an interest in the property and, in some cases, even beyond.