

FAQ'S

WHAT IS TITLE INSURANCE AND WHY DO I NEED IT?

When you buy Real Estate, whether a home or vacant land, you can expect certain benefits from your ownership:

- You should expect to be able to occupy and use the property as you wish.
- To be free from debts or obligations not created or agreed to by you.
- To be able to sell or use your property as you want.

Title insurance protects these rights.

WHAT IS THE COST OF TITLE INSURANCE?

The single premium is directly related to the purchase price of your home. Typically, it is less expensive than your annual auto insurance. It is a one-time expense, paid when you purchase your home. It continues to provide complete coverage for as long as you or your heirs own the property.

WHY DO I NEED A SEPARATE TITLE INSURANCE POLICY WHEN MY LENDER HAS THEIR POLICY?

A Lender's Policy insures that your lender has a valid lien on the property. An Owner's Policy, on the other hand, protects your interest in the property. Title issues, such as improper estate proceedings or pending legal action, could put your equity at serious risk. When a valid claim is filed, the policy covers the cost of legal defense as well as financial loss up to the face amount of the policy.

IF I MAKE A TITLE CLAIM WILL I LOSE MY PROPERTY?

If there is an adverse claim to your title, you should contact your title insurer or the agent who issued your policy. Title insurance includes coverage for legal expenses which may be necessary to investigate, litigate, or settle that claim.

WHAT IS A TITLE SEARCH AND WHAT DOES IT SHOW?

Insuring a home's title begins with a search of public land records affecting the property, and then the title insurance underwriter examines those documents to determine if the property is insurable. Many records will be searched including deeds, wills, trusts, outstanding mortgages and judgments, property liens, highway or utility line easements, pending legal actions, and defective notary acknowledgments.

ARE THERE ANY ISSUES THAT A TITLE SEARCH DOES NOT SHOW?

After searching and examining, a title problem may still be hidden or missed, such as a forged signature of a deed, an unknown heir who steps forward to claim ownership to property, an expired or forged power of attorney used during a property transfer, or an incorrect public record. A title insurance policy offers financial protection against these claims. The title insurer defends the title and either perfects the title or pays a valid claim.

WHAT IS A CLOSING DISCLOSURE/HUD-1?

A Closing Disclosure/HUD-1 is a form used by the settlement agent to itemize charges imposed upon a borrower/buyer and a seller for a real estate transaction. It gives each party a complete list of their incoming and outgoing funds on their transaction.

WHAT IS CLOSING PROTECTION COVERAGE (CPL)?

Closing Protection Coverage is additional coverage that is offered to a borrower/buyer, seller, or lender that indemnifies you against the loss of settlement funds resulting from individual acts of the Licensed Agent or anyone acting on behalf of the Licensed Agent, subject to certain conditions and exclusions specified in the Closing Protecting Coverage Form:

- Theft, misappropriation, fraud, or any other failure to properly disburse settlement, closing, or escrow funds.
- Inability to comply with any applicable written closing instructions, when agreed to by the Licensed Agent.