

LAWYERS LINK



19 REASONS WHY YOU NEED TITLE INSURANCE

With home ownership comes the need to protect the property against the past, as well as the future. Each successive owner brings the possibility of title challenges to the property. Title insurance

protects a policyholder against challenges to rightful ownership of real property, challenges that arise from circumstances of past ownerships.

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Below are the 19 reasons why title insurance is essential:

1. A deed or mortgage in the chain of title may be a forgery.
2. A deed or a mortgage may have been signed by a person under age.
3. A deed or a mortgage may have been made under a power of attorney after its termination and would, therefore, be void.
4. A deed or mortgage may have been made by a person other than the owner, but with the same name as the owner.
5. The testator of a will might have had a child born after the execution of the will, a fact that would entitle the child to claim his or her share of the property.
6. A deed or mortgage may have been procured by fraud or duress.
7. Title transferred by an heir may be subject to a federal tax lien.
8. A fire destroys only the house and improvements. The ground is left. A defective title may take away not only the house but also the land on which it stands. Title insurance protects you (as specified in the policy) against such loss.
9. A heir or other person presumed dead may appear and recover the property or an interest therein.
10. A judgement or levy upon which the title is dependent may be void or voidable on account of some defect in the proceeding.
11. A deed or mortgage may be voidable because it was signed while the grantor was in bankruptcy.
12. There may be a defect in the recording of a document upon which your title is dependent.
13. Claims constantly arise due to marital status and validity of divorces. Only title insurance protects against claims made by non-existent or divorced "wives" or "husbands".
14. Title insurance may cover attorneys' fees and court costs.
15. Title insurance helps speed negotiations when you're ready to sell or obtain a loan.
16. Many lawyers, in giving an opinion on a title, protect their clients as well as themselves, by procuring title insurance.
17. By insuring the title, you can eliminate delays and technicalities when passing your title on to someone else.
18. Title insurance reimburses you for the amount of your covered losses as defined in your policy.
19. Each title insurance policy we write is paid up, in full, by the first premium for as long as you or your heirs own the property.

Information deemed reliable, but not guaranteed. This information does not, and is not intended to, constitute legal advice; instead, all information is for general informational purposes only.



COMMUNICATION TIPS FOR ESCROW

Communication is KEY in going through the escrow process. Below are tips for a smooth experience.

- When calling the escrow officer, have the escrow number and buyer/seller's names handy
- Keep the escrow officer informed on any matters that may affect the transaction
- Direct your questions to the proper representative, such as:
 - » **Real Estate Agent:** Physical aspects of property, conflicts, and terms of sale
 - » **Lender:** Loan terms, credit report issues, etc.
 - » **Escrow Officer:** Escrow instructions, documents, and forms to be filled out



MONTHLY INDUSTRY TERMS

Caps

Consumer safeguards that limit the amount the interest rate on an adjustable rate mortgage can change at each adjustment or over the life of the loan.

Easement

A non-possessory right to use all or part of the land owned by another for a specific purpose.

Loan-To-Value Ratio

The relationship between the amount of the mortgage loan and the appraised value of the property expressed as a percentage.

