

## Title Insurance FAQs for Purchasers

There are several types of title defects that could arise after the purchase of your home. Although your attorney will require an abstract of title to be presented prior to your closing, even the most thorough search cannot absolutely assure that no title hazards are present, despite the knowledge and experience of your attorney or professional title examiners. Some examples of typical title defects include:

- False impersonation of the true owner
- Forged deeds, releases or wills
- Undisclosed or missing heirs
- Invalid or expired Power of Attorney
- Mistakes in recording
- Mistakes in indexing at the County Clerk's Office
- Misinterpretation of instruments
- Clerical Errors
- Deed was delivered without the consent of an owner or after their death
- Deed description doesn't match your survey "what you see is what your get"
- Improper or unauthorized signature (ex. corporation, partnership, etc.)
- Deeds by persons of unsound mind
- Deeds by minors
- Deeds by persons mis-stating their marital status
- Instrument was not signed by a necessary party
- Abstractor missed a matter affecting title
- Liens for unpaid taxes
- Fraud
- Confusion of identity due to similar names

## **Reasons To Obtain a Fee (Owner's) Policy**

- Lenders go to great lengths to minimize their risk of lending to you by obtaining a loan policy. Sophisticated commercial buyers insist on title insurance; so should you.
- When purchased with a loan policy, the premium is substantially reduced. The cost is very small compared with the benefit and security a policy offers.
- The premium is paid once for as long as you or your heirs own your home.
- Without a policy, you pay all the costs of defending title to your property; including court costs and legal fees. If unsuccessful, the result could be a total loss of title. (And you may still owe the remaining balance on your note). With a policy, the title company pays to defend your title and either clears up the problem or pays the insured's (your) losses. Title Insurance is a strict form of assurance. No showing of fault is required.
- Although our law firm will require an abstract of title to be presented prior to your closing, even the most thorough search cannot absolutely assure that no title hazards are present, despite the knowledge and experience of your attorney or professional title examiners.
- The attorney, county clerk and abstractor may not be liable for a title defect, based upon local community standards of practice, or the statute of limitations for malpractice or negligence may have run, even if they were liable, so you, the homeowner, may have no recourse in the event a defect does arise.
- Correcting title problems is very costly and time-consuming.
- You are protected up to the full amount of the policy (usually what you paid for your property). You can obtain a rider that increases the coverage as the value of the home increases.
- Title insurance protects the title to possibly the most important investment you'll ever make — your home.