

TITLE INSURANCE.  
PROTECTING THE AMERICAN DREAM,  
ONE HOME AT A TIME.



THE TITLE INSURANCE  
INDUSTRY PROTECTS YOUR  
HOMEOWNERSHIP RIGHTS

AMERICAN  
LAND TITLE  
ASSOCIATION



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WHY DO I NEED TITLE INSURANCE?

For most Americans, our home is the single largest financial investment we ever make. More importantly, it's where we raise our families, share time with friends, live our lives. And while ownership of our home may seem very straightforward, our rights to enjoy our property aren't always as clear. There are literally dozens of ways in which your title to — and your ownership of — the property can be jeopardized. The title insurance industry and the policies it provides exist to ensure that title issues don't affect your home ownership rights.





### THEY INFORM YOU.

Land is permanent, but its ownership isn't. Every property starts out with a bundle of rights that its owner can expect. But over the years, with each new possession of a property, events can take place that affect the title, such as a refinancing, a tax lien, an encroachment by a neighbor, or the marriage, divorce, or death of an owner.

### THE TITLE SEARCH

When a buyer and seller agree on a home or land purchase transaction, a title insurance company searches public records to see if any outstanding matters could affect the new buyer's rights. Title company experts research records in municipal and county facilities, or in information storehouses called "title plants," capturing and analyzing even the smallest details. These records include recorded documents, judgments, liens, general taxes, utility assessments, special taxes and levies, and other matters that could cost the new buyer money or, worse, affect their property ownership. This process, called a title search, provides warnings of title flaws that must be dealt with before the property can change hands.

### THEY INSURE YOUR RIGHTS.

The title insurance policy is what people usually think of when they think of title insurance. For this reason, there are two kinds of title insurance policies: one for owners and one for lenders. An Owner's Policy is assurance that your title company will stand behind you — monetarily and with legal defense — if a title problem arises after you buy your home. Bottom line: your title company will be there to help pay valid claims and cover the costs of defending an attack on your title. Receiving an Owner's Policy isn't always an automatic part of the closing process, however. Be sure to request one. Without an Owner's Policy, you could be liable for these costs and legal fees, even if you prevail in a legal action.

### WHY LENDERS LIKE IT, TOO

Your mortgage lender also has a great financial interest in the property you're buying. Just as you do, lenders rely on title insurance companies to ensure that they won't be impacted by unforeseen title problems that could affect them. The Lender's Policy covers them for the amount of the loan, and declines accordingly, as the loan is paid.

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### THEY REDUCE YOUR RISK.

When the title company finds title issues, it then works to remedy any problems that could keep you from having "clear" title. For example, a previous owner may have had minor construction done to the home, but never fully paid the contractor performing the work. Title company experts identify this unpaid bill so that it can be resolved by the previous owner before you take ownership. If it isn't, you might very well be responsible for this payment as the new owner!

### THE HIDDEN PROBLEMS

The best title search, performed by the most experienced and capable experts, can't catch all title hazards. Some problems just aren't revealed in public records. Years ago, there may have been an honest mistake in determining the status of title. Or today, a previously unknown heir may come forward to claim ownership of a deceased relative's property. There might even have been a forged deed that impairs the ownership of the property.

To help protect you in these events, the company issues an Owner's Policy that insures you against most of these unforeseen problems. So, title insurance companies not only help to remove the flaws that show, they also insure against those that don't.

### THEY PROTECT YOUR PIECE OF THE AMERICAN DREAM.

Title insurance isn't like most of the things we Americans buy. In fact, it's not exactly a product, but more a process. It's different from other kinds of insurance, too, in that the premium you pay just once buys coverage that lasts the entire time you, or your heirs, own your home — whether it's five years or 105!

### THE AMERICAN LAND TITLE ASSOCIATION

Land title insurance is provided by companies formed exclusively for this purpose, some of them more than 100 years ago. These title companies are regulated closely by public authorities in every state, and are required to maintain substantial financial reserves. They're also rated by independent agencies according to their claims paying abilities.

Members of the American Land Title Association, a national trade organization, work constantly to ensure that you get the protection you need—quickly and accurately.

Ask your real estate professional, lender, broker or attorney for more information on how you can be protected with an Owner's Policy. You can also find more info at [www.homeclosing101.org](http://www.homeclosing101.org).