

Why do you need *Title Insurance?*

A home is usually the largest single investment any of us will ever make. Title insurance protects against loss of value from hazards and defects that may exist in the title. These hazards include fraud, forged signatures on deeds, unknown property heirs, liens, and documentation errors. If you were uninsured and your right to title is challenged, you could lose significant money defending yourself or you could lose your home. Your mortgage lender will require a loan policy of title insurance to protect their interest in the value of your property, and a homeowner should purchase an owner's policy for the very same reason.

What exactly IS title insurance?

A title is a legal term used when referring to the ownership records about a piece of real estate. Title insurance provides you with protection from claims of ownership, outstanding debts of previous owners, and other title problems that you didn't know about prior to buying the property.

Title problems can potentially show up months or even years after the original purchase of the property, and that's the reason you need the help and support of a title company.

The title company makes sure a property title is legitimate, so that the buyer may be confident that once he or she buys a property, he or she is the rightful owner of the property.

To ensure that the title is valid, the title company will do a title search, which is a thorough examination of property records to make sure that the person or company claiming to own the property does, in fact, legally own the property and that no one else could claim full or partial ownership of the property.

During the title search, the title company also looks for any outstanding mortgages, liens, judgments or unpaid taxes associated with the property, as well as any restrictions, easements, leases or other issues that might impact ownership.

The title company may also require a property survey, which determines the boundaries of the plot of land that a home sits on, whether the home sits within those boundaries, whether there are any encroachments on the property by neighbors and any easements that may impact an ownership claim.

Once the title is found to be valid, the title company will likely issue a title insurance policy, which protects lenders or owners against claims or legal fees that may arise from disputes over the ownership of the property.

Title insurance protects the lender and/or owner against lawsuits or claims against the property that result from disputes over the title.