

JUST WHAT IS TITLE INSURANCE ANYWAY?

By: Nicole Malcolm, Owner/Title Agent, Affinity Land Services

November 8, 2019

Contribution of content in part by Old Republic.

Title insurance has been around for hundreds of years, yet most people still do not truly understand the purpose or value of what exactly title insurance is there for. You know you need it to buy or refinance a property. It can cost a lot depending on price of your property or loan amount. But what does title insurance really do for you and do you really need it?

You should always protect yourself by purchasing a title insurance policy. Title insurance is an agreement to indemnify against damage or loss from a defect in title as evidenced by a policy of title insurance to a specific parcel or real property. There are two types of policies available: Owners Policy and Loan Policy.

An owner's policy insures an owner of any type of real property against loss by reason of those matters covered under the policy of insurance for as long as they own that property. A lender's policy insures the lender has priority by way of a security instrument that protects them over claims that others may have in the property.

For example, let's say you are looking to buy a property that has an old mortgage showing up on public records that was given to the current owner 20 years ago. Mr. Seller is saying it was paid off a long time ago. If you purchased your property without title insurance from that seller and the lender whose mortgage was still showing up on title comes knocking on your door for final payment because Mr. Seller lied, guess who will be losing their home to a potential foreclosure? YOU.

You see, with title insurance, we review the history of public records that include mortgages, judgments, liens, and other encumbrances that may affect your property after you purchase it. We minimize the risk by addressing all the potential issues that could become claims and eliminate them so that we can provide free and clear title to you, the buyer.

Title companies provide a number of services to all of the parties in a real estate transaction. Not only do they provide the final title policy which is the ultimate proof of insurance on the property, they also provide assurances that the transfer of title takes place in a timely manner and that the interest of the buyers and lenders are protected under the terms and conditions of the policy. One major responsibility of a title company is ensuring that all parties receive their funds efficiently and securely.

Title insurance is different from other lines of insurance that most people are familiar with (homeowners, car insurance, etc). These other types of insurances assume risks providing financial protection for losses that may arise from an unforeseen future event such as a fire, theft or accident. With title insurance, you pay a one-time premium at the time of closing, unlike the other types of insurance which are typically paid on an annual basis.

For more information on title insurance, please visit our website at: www.deedsearchers.com



Nicole R. Malcolm, Owner/Title Agent
9 South Sycamore Street | Newtown, PA 18940
(215) 579-8800 ext 201 - Main Office
(888) 811-9692 - Fax
www.deedsearchers.com
#TITLEEXPERIENCEMATTERS



“Building Successful Relationships” is our Mission.

The foregoing information was furnished to us by sources which we deem to be reliable, but no warranty or representation is made as to the accuracy thereof. Subject to correction of errors, omissions, change of price, prior sale or withdrawal from market without notice. This article is for informational purposes only. © 2019 WCRE All Rights Reserved