

WHAT IS TITLE INSURANCE?

AND WHY YOU NEED IT?

Title:

a bundle of rights you receive when you purchase property.



Why do I need title insurance?

Title insurance is an insurance that protects the holder from financial loss from any defects in a title to a property.

The most popular insurance is "lenders" insurance which is often paid for by the seller to protect the buyer's equity in the property and is available separate.

How does it work?

The Title company will do a search on every title that exist in order to check for any claims or liens before they can be issued.

The Title company helps to protect real estate owners and lenders against any issues relating to the title.

This is different than basic insurance, which protects any events that have not happened yet, title protects against claims in the past.

Also some other transactions which are private can involve a warranty of title guaranteeing a seller to a buyer that the seller has the right to transfer ownership and no one else has rights to the property

How much does title insurance cost?

Owners Title insurance usually can cost 1% of the purchase price of the property , however this can vary from state to state.

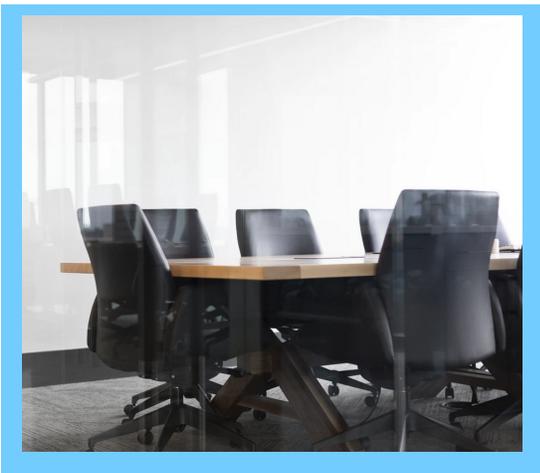
For Example, owners title insurance for a \$500,000 property on the west side of the country in California should cost between \$1,200 and \$2,000.

Risks of not having Title Insurance

To put it simply, Imagine finding the home of your dreams. only to find out after you finally closed on the home that property tax from the prior owner was unpaid..

Without title insurance, the financial problem resulting from unpaid property tax falls entirely on the buyer. They have to pay the property tax or risk losing the home to taxing institutions.

Lender's title insurance covers banks and other lenders of a borrower, if there are any issues with the property's title, a lender would be covered up to the amount of the mortgage.



Types of Title Insurance!

Lenders' Insurance

This insurance policy protects the lender in case the seller wasn't legally able to transfer the title of ownership rights. This only will protect the lender against any losses.

Owners' Insurance

This insurance is purchased by the seller to protect the buyer against any issues in the title. This is optional and not required.

Basic Lenders Insurance

This is purchased by banks and other financial institutions to cover mechanics' liens and other unrecorded liens, unrecorded easements/access rights, and defects/other unrecorded documents.



 [Titlecity.com](https://www.titlecity.com) for a quote and more info