



IF HOME IS WHERE THE HEART IS, OWNER'S TITLE INSURANCE IS WHERE THE SMART IS.

It's a one-time purchase that protects your property rights as long as you own your home. That's peace of mind every homebuyer deserves.



For details, ask a trusted ALTA member or visit homeclosing101.org

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THE FAQs OF TITLE INSURANCE FOR HOMEBUYERS

For most of us, a home is the largest investment we'll make in our lives. To buy with confidence, get owner's title insurance. It's the smart way to protect your property from legal claims. To help you understand how it works, here are answers to common questions.

What is title?

Title is your right to own or use your property. Title also establishes any limitations on those rights.

What is a title search?

A title search is an early step in the home buying process to uncover issues that could limit your rights to the property. If a title issue is discovered, most often your title professional will take care of it without you even knowing. After the title search is complete, they can provide a title insurance policy.

What is title insurance?

If you're buying a home, title insurance is a policy that protects your investment and property rights.

There are two different types of title insurance: an owner's policy and a lender's policy.

1. An owner's policy is the best way to protect your property rights. Either the buyer or seller may pay for this policy. Ask your title professional how it's handled in your area.
2. A lender's policy is usually required by the lender and only protects the lender's financial interests. The buyer typically pays for this policy, but this varies depending on geography. Ask your title professional how it's handled in your area.

Why should I purchase owner's title insurance?

Owner's title insurance protects your investment in your property from certain future legal claims regarding ownership of your property. For a one-time fee, you and your heirs* receive coverage for as long as you own your home. The owner's policy also covers potential legal fees and court costs for settling claims covered by your policy.



What does owner's title insurance cover?

Sometimes undiscoverable defects can come up after the title search. Under the owner's title insurance policy, you are protected against certain undiscovered errors in the title.

Title issues include unknown:

- Outstanding mortgages and judgments, or a lien against the property because the seller has not paid his taxes
- Pending legal action against the property that could affect you
- Unknown heir of a previous owner who is claiming ownership of the property

Unforeseeable title claims include:

- Forgery: making a false document
 - For example, the seller misrepresents the identity of the person who sold the property.
- Fraud: deception to achieve unfair gain
 - For example, someone steals your identity and either sells your house without your knowledge or consent, or takes out a second mortgage on the property and walks away with the money.
- Clerical error: inconsistent paperwork and historical records
 - For example, an unforeseeable discrepancy in the property or fence line can cause confusion in ownership rights.

What does owner's title insurance cost?

The one-time payment for owner's title insurance is low relative to the value of your home. The typical title insurance policy costs around 0.5% of the home's purchase price.

How long am I covered?

Your owner's insurance policy lasts for as long as you or your heirs* own your property. Your life will change over time, but your peace of mind never will.

What happens at closing?

Closing is the final step in executing the home buying transaction. It is the process that allows the transfer of ownership to occur. Upon completion of the closing process, you get the keys to your home!



FOR HOMEBUYERS: A GUIDE TO TITLE INSURANCE

	WHAT IT IS	WHY IT MATTERS	HOW YOU BENEFIT
TITLE	Title is your right to own or use your property. Title also establishes any limitations on those rights.	No homebuyer wants to inherit existing debts or legal issues that could interfere with their property rights in the future.	Title determines how you can use or modify your property.
TITLE PROFESSIONAL	Title insurance professionals examine or research public records to see if there are any problems or defects that could cause you legal issues. They may also manage the closing process.	The title professional ensures the title search is completed, writes the title insurance policy and works to reduce your risk of ownership issues in the future.	Your title professional has your back. They sweat the small stuff so you don't have to, giving you peace of mind.
TITLE SEARCH	A title search is an early step in the home buying process to uncover issues that could limit your rights to the property.	Typically, if a title issue is discovered your title professional will take care of it without you even knowing. After the title search is complete, the title insurance agent can provide a title insurance policy.	The title search protects you from unknowingly inheriting a previous owner's debts, legal obligations or other title problems.
TITLE INSURANCE	There are two different types of title insurance: the owner's policy and the lender's policy. While it is your choice, purchasing an owner's title insurance policy is the best way to protect your property rights. The lender's policy is typically paid for by you. It is almost always required by the lender and only protects the lender's interest.	Sometimes undiscoverable defects can come up after the title search. Title issues may include forgery, fraud or clerical errors. Owner's title insurance is the best way to protect yourself from losing your property.	Every year, the vast majority of homebuyers in America elect to protect the largest investment of their lives, and purchase owner's title insurance. Owner's title insurance protects your interests after you purchase your home.
CLOSING	Closing is the final step in executing the home buying transition.	It is the process that allows the transfer of ownership to occur.	Upon completion of the closing process, you get the keys to your home!



For more information about owner's title insurance, ask an ALTA member or visit homeclosing101.org

7 REASONS WHY EVERY HOMEBUYER NEEDS OWNER'S TITLE INSURANCE



BUYING A HOME IS AN EXCITING AND EMOTIONAL TIME FOR MANY PEOPLE. TO HELP YOU BUY YOUR HOME WITH MORE CONFIDENCE, MAKE SURE YOU GET OWNER'S TITLE INSURANCE. HERE'S WHY IT'S SO IMPORTANT FOR YOU:

1 PROTECTS YOUR LARGEST INVESTMENT

A home is probably the single largest investment you will make in your life. You insure everything else that's valuable to you—your life, car, health, pets, etc., so why not your largest investment? For a one-time fee, owner's title insurance protects your property rights for as long as you own your home.

2 REDUCES YOUR RISK

If you're buying a home, there are many hidden issues that may pop up only after you purchase your home. Getting an owner's title insurance policy is the best way to protect yourself from unforeseen title discrepancies. Don't think it will happen to you? Think again.

Title claims can include:

- outstanding mortgages and judgments, or a lien against the property because the seller has not paid his taxes
- pending legal action against the property that could affect you
- an unknown heir of a previous owner who is claiming ownership of the property

3 YOU CAN'T BEAT THE VALUE

Owner's title insurance is a one-time fee that's very low relative to the value it provides. It typically costs around 0.5% of the home's purchase price.

4 COVERS YOUR HEIRS

As long as you or your heirs own your home, owner's title insurance protects your property rights.

5 NOTHING COMPARES

Homeowners insurance and warranties protect only the structure and belongings of your home. Getting owner's title insurance ensures your property rights are protected.

6 8 IN 10 HOMEBUYERS AGREE

Each year, more than 80% of America's homebuyers choose to get owner's title insurance.

7 PEACE OF MIND

If you're buying a home, owner's title insurance lets you rest assured, knowing that you're protected from inheriting possible debts or legal problems, once you've closed on your new home.



For more information about owner's title insurance, ask an ALTA member or visit homeclosing101.org



WHAT EVERY REALTOR® SHOULD KNOW ABOUT OWNER'S TITLE INSURANCE

MAKE SURE ALL OF YOUR CLIENTS ARE PROTECTED

You're a Realtor®, so you know that buying a home can be overwhelming for your clients. Homebuyers can feel confused and frustrated by the mounds of paperwork they have to sign. Plus, the fees associated with closing can sometimes be overwhelming even to an experienced buyer.

Owner's title insurance is one of those items often misunderstood by homebuyers at closing, yet its value is tremendous. As an important advisor to your clients, you are in a position to help homebuyers understand the benefit of owner's title insurance and the dangers that can be incurred without it.

WHAT IS TITLE INSURANCE?

Owner's title insurance is a policy that protects homebuyers' property rights. For the same reasons the bank requires a lender's insurance policy, the homebuyer obtains owner's title insurance to protect against possible claims against the title. For more information about title insurance, or to find an ALTA member that can issue an owner's policy, please direct your **clients to homeclosing101.org**.

HOW IT PROTECTS

Say, for example, your client recently purchased a new home from a builder, but the builder failed to pay the roofer. Wanting to be paid, the roofer filed a lien against the property. Without owner's title insurance, your client could be responsible for paying this existing debt. This is just one example of how owner's title insurance protects homebuyers from various financial risks.

ENDURING VALUE

The good news is that owner's title insurance protects homebuyers financially, as long as they own their home. For a low, one-time fee, homebuyers can rest assured, knowing they are protected against possible debts or claims to their property.



For more information about title insurance, and to get free resources for Realtors®, visit alta.org/realtor