

What Is Title Insurance?

Protecting Your Property from Hidden Claims and Errors

When buying a home, most people focus on inspections and financing, but there's another critical step that protects your investment: title insurance.

It may not be the most talked-about part of closing, but it plays a major role in ensuring clear ownership and peace of mind.

WHAT TITLE INSURANCE COVERS

Title insurance shields homeowners and lenders from problems with the property's title that could affect ownership.

These problems may include outstanding liens, unpaid taxes, boundary disputes or undisclosed heirs. In some cases, clerical errors in public records or fraudulent claims can surface years after purchase.

If a past issue comes up after the sale — say, someone claims partial ownership or a contractor claims unpaid work — the title insurance policy helps cover legal fees or losses related to resolving the dispute.

There are two types of title insurance. The lender's policy is usually required by your mortgage company and pro-



© ADOBE STOCK

protects their interest in the property.

The owner's policy is optional but strongly recommended. It protects you, the homeowner, from financial loss tied to title issues.

WHY IT'S A SMART INVESTMENT

Unlike other types of insurance, title insurance is a one-

time cost, paid at closing.

Once purchased, it covers you for as long as you own the home. That small upfront expense can save you thousands in the event of a future legal challenge.

Without title insurance, you could be responsible for debts or claims from previous owners—even if you bought the home in good faith.

For example, if a contractor files a lien for unpaid work done before your purchase, or if an error in the chain of title leads to a lawsuit, you could end up paying out of pocket.

Before issuing a policy, the title company conducts a thorough title search, reviewing public records to uncover potential problems.

While most issues are

resolved during this process, some may go undetected. Title insurance ensures you're protected if something slips through the cracks.

Title insurance offers security and peace of mind.

It's a quiet but crucial part of the closing process that ensures your right to own your home is legally protected, today and in the future.



© ADOBE STOCK

What Is Title Insurance?

Protecting Your Property from Hidden Claims and Errors

When buying a home, most people focus on inspections and financing, but there’s another critical step that protects your investment: title insurance.

It may not be the most talked-about part of closing, but it plays a major role in ensuring clear ownership and peace of mind.

WHAT TITLE INSURANCE COVERS

Title insurance shields homeowners and lenders from problems with the prop-

erty’s title that could affect ownership. These problems may include outstanding liens, unpaid taxes, boundary disputes or undisclosed heirs. In some cases, clerical errors in public records or fraudulent claims can surface years after purchase.

If a past issue comes up after the sale — say, someone claims partial ownership or a contractor claims unpaid work — the title insurance policy helps cover legal fees or losses related to resolving the dispute.

There are two types of title insurance. The lender’s policy is usually required by your mortgage company and protects their interest in the property. The owner’s policy is optional but strongly recommended. It protects you, the homeowner, from financial loss tied to title issues.

WHY IT’S A SMART INVESTMENT

Unlike other types of insurance, title insurance is a one-time cost, paid at closing. Once purchased, it covers you

for as long as you own the home. That small upfront expense can save you thousands in the event of a future legal challenge.

Without title insurance, you could be responsible for debts or claims from previous owners—even if you bought the home in good faith.

For example, if a contractor files a lien for unpaid work done before your purchase, or if an error in the chain of title leads to a lawsuit, you could end up paying out of pocket.

Before issuing a policy, the

title company conducts a thorough title search, reviewing public records to uncover potential problems. While most issues are resolved during this process, some may go undetected. Title insurance ensures you’re protected if something slips through the cracks.

Title insurance offers security and peace of mind. It’s a quiet but crucial part of the closing process that ensures your right to own your home is legally protected, today and in the future.

REAL ESTATE 101



HOMEWISE GLOSSARY

Always Order a Title Search

Before buying a home, make sure a title search is completed. This process uncovers any legal claims or issues tied to the property and helps prevent ownership problems down the road.

Title Insurance: Title insurance protects homebuyers and lenders against financial loss from defects in a property’s title, such as liens, ownership disputes or clerical errors. It’s a one-time purchase made at closing and remains in effect as long as you own the home.

AD SPACE