

What You Should Know About Owner's Title Insurance

You're a real estate professional, 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 value 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 their legal claims to the property. 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 would be responsible for paying this existing debt. This is just one example of how owner's title insurance protects homebuyers from various significant risks.

Enduring Value

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

