

WHAT IS  
TITLE  
INSURANCE  
?

# WHAT IS TITLE INSURANCE

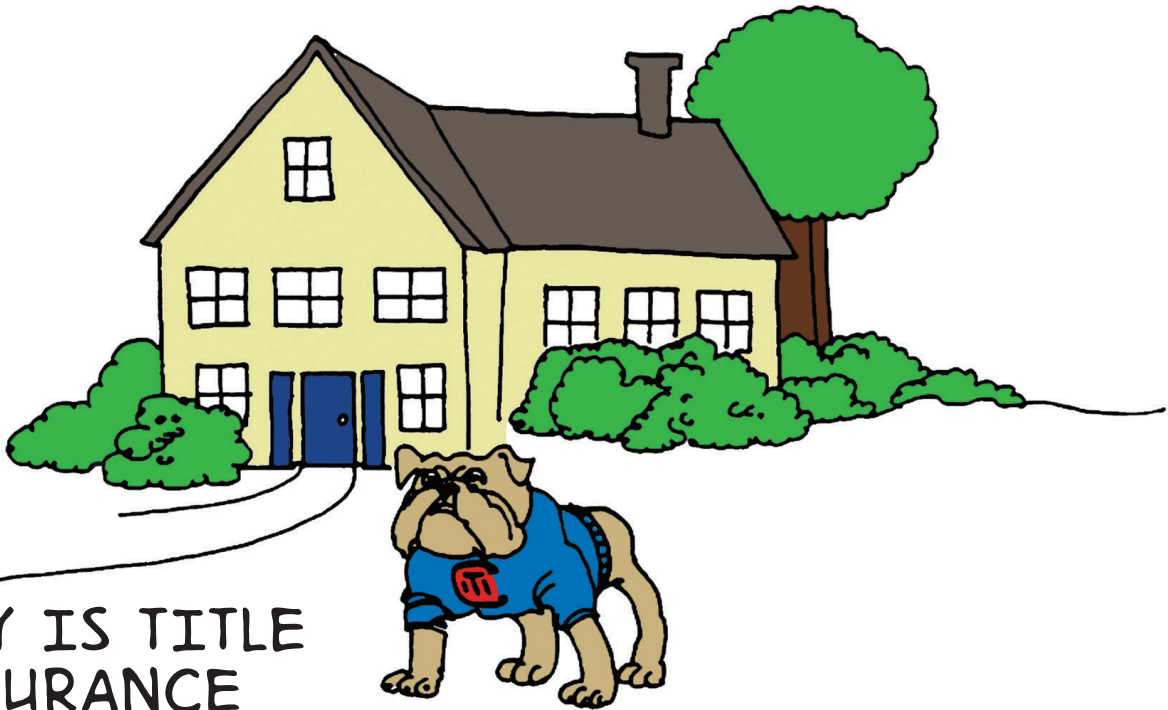


IT'S **PROTECTION** AGAINST DEFECTS WHICH AFFECT THE TITLE TO YOUR HOME OR BUSINESS. WHEN YOU BUY PROPERTY YOU ARE CONVEYED TITLE BY THE PRIOR OWNER TO EVIDENCE YOUR FULL LEGAL OWNERSHIP.

## BUT...

OCCASIONALLY A **HIDDEN DEFECT** IN THE TITLE OR A **MISTAKE** IN A PRIOR DEED, WILL, OR MORTGAGE MAY GIVE SOMEONE ELSE A LEGAL CLAIM AGAINST YOUR PROPERTY.





WHY IS TITLE  
INSURANCE  
**IMPORTANT?**



BECAUSE IT PROTECTS  
THE **INVESTMENT**  
YOU'VE MADE IN YOUR HOME  
OR BUSINESS.

IF A CLAIM IS MADE AGAINST  
YOUR PROPERTY, TITLE  
INSURANCE CAN SAVE YOU

**TIME  
AND  
MONEY!**

# WHO IS COVERED BY TITLE INSURANCE?



## THE LENDER

WHEN YOU BORROW MONEY TO BUY PROPERTY, YOU ARE TYPICALLY REQUIRED TO BUY TITLE INSURANCE TO COVER THE OUTSTANDING BALANCE ON THE MORTGAGE FOR THE LENDER. BUT THE LENDER'S TITLE POLICY DOES NOT PROTECT YOU.

## THE BUYER

IT'S A GOOD IDEA TO GET YOUR OWN TITLE INSURANCE POLICY FOR PROTECTION IN CASE THERE'S A CLAIM AGAINST YOUR HOME. THEN YOUR INVESTMENT IS SAFE, TOO.



# WHAT RISKS ARE COVERED?

THE POLICY IS UNDERWRITTEN TO INCLUDE OR EXCLUDE SPECIFIC RISKS, DEPENDING ON THE CIRCUMSTANCES. BUT GENERALLY THE TITLE POLICY COVERS

## 4 “HIDDEN RISKS.”

- 1 ERRORS IN THE PUBLIC RECORDS...** SUCH AS INCORRECT INFORMATION IN DEEDS AND MORTGAGES REGARDING NAMES, SIGNATURES OR LEGAL DESCRIPTIONS.



- 2 JUDGMENTS, LIENS AND MORTGAGES...** CLAIMS AGAINST THE PROPERTY OR THE SELLER WHICH BECOME THE NEW OWNER'S RESPONSIBILITY AFTER CLOSING, SUCH AS UNPAID TAXES, ASSESSMENTS, AND OTHER DEBTS TO CREDITORS.

### 3 CLAIMS TO OWNERSHIP...

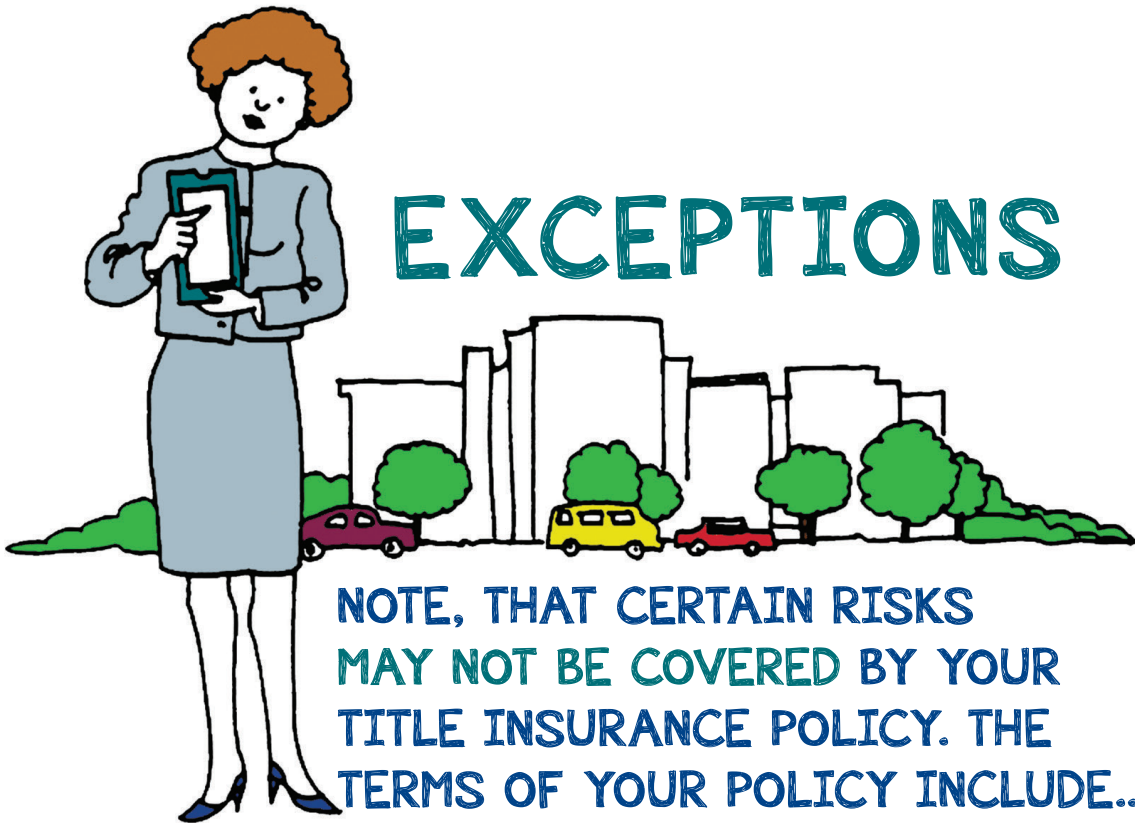
BY THE SPOUSE OF A FORMER OWNER OR BY "THE MISSING HEIR" OF A DECEASED OWNER WHO DID NOT RECEIVE HIS SHARE OF THE ESTATE.



### 4 INVALID DEEDS...

TRANSFERS BY PREVIOUS SELLERS WHO DID NOT ACTUALLY OWN THE PROPERTY, OR BY PREVIOUS OWNERS WHO WERE MINORS OR NOT MENTALLY COMPETENT.

**MANY OF THESE PROBLEMS MIGHT NOT BE DISCOVERED IN A ROUTINE SEARCH OF THE PUBLIC RECORDS.**



# EXCEPTIONS

**NOTE, THAT CERTAIN RISKS  
MAY NOT BE COVERED BY YOUR  
TITLE INSURANCE POLICY. THE  
TERMS OF YOUR POLICY INCLUDE...**

## STANDARD EXCLUSIONS

WHICH APPEAR AS PART  
OF THE PRINTED FORM.  
THESE INCLUDE:

- GOVERNMENT REGULATIONS, SUCH AS ZONING, OR THE RIGHT TO CONDEMN PROPERTY.
- LIMITATIONS ON LAND USE, SUCH AS LAWS AGAINST FARM ANIMALS.

## EXCEPTIONS

MAY ALSO BE SPECIALLY  
WRITTEN INTO YOUR  
POLICY. FOR EXAMPLE:

- EASEMENTS, RIGHTS OF WAY, AND OTHER ENCUMBRANCES NOTED IN THE DEED OR OTHERWISE IN THE PUBLIC RECORDS.
- RESTRICTIVE COVENANTS WHICH MAY PROHIBIT CERTAIN TYPES OF USE OF YOUR PROPERTY.

# A TITLE SEARCH

IS THE FIRST STEP  
IN OBTAINING TITLE INSURANCE.

THAT'S WHEN A DETAILED EXAMINATION OF THE PUBLIC RECORDS CONCERNING THE PROPERTY IS MADE, INCLUDING DEEDS, CIVIL AND PROBATE COURT RECORDS, JUDGMENT INDEXES, TAX RECORDS, ETC.

THE PURPOSE OF  
THE TITLE SEARCH IS

- **TO DETERMINE**  
THE SELLER'S RIGHT TO  
TRANSFER OWNERSHIP.

- **TO DISCOVER**  
ANY CLAIMS, ERRORS,  
ASSESSMENTS, MORTGAGES  
OR OTHER BURDENS OR RESTRICTIONS  
ON THE PROPERTY.



## A TITLE SEARCH

IS CARRIED OUT BY YOUR  
SEARCHER. HE PREPARES

AN ABSTRACT TO  
REPORT ALL MATTERS  
AND TRANSACTIONS  
AFFECTING THE  
PROPERTY. THE ABSTRACT  
IS THEN SUBMITTED TO  
THE TITLE INSURANCE  
COMPANY TO BE  
UNDERWRITTEN.



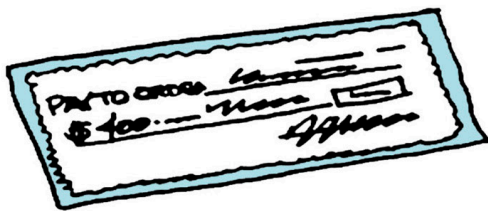
# IF A CLAIM IS MADE AGAINST YOUR TITLE...



**NOTIFY** THE TITLE INSURANCE COMPANY IMMEDIATELY, IN WRITING. INCLUDE WITH THE LETTER COPIES OF ALL RELATED LETTERS AND DOCUMENTS.

## THE COMPANY WILL DO ONE OR MORE OF THE FOLLOWING...

**PAY** THE CLAIM AGAINST YOUR TITLE.



**NEGOTIATE** WITH THE OTHER PARTY TO SETTLE THE CLAIM.



**DEFEND** A COURT CASE RELATED TO THE TITLE.



**PAY** LEGAL COSTS INCURRED IN DEFENDING THE TITLE.



# HOW MUCH DOES TITLE INSURANCE COST?

YOU PAY A  
ONE-TIME PREMIUM

FOR COVERAGE THAT LASTS AS LONG  
AS YOU OWN YOUR PROPERTY, OR AS  
LONG AS YOU MAY BE LIABLE FOR ANY  
TITLE WARRANTIES YOU MAKE.



**SO...**  
**TITLE INSURANCE PROVIDES  
LONG-TERM COVERAGE  
AGAINST MANY SERIOUS  
TITLE DEFECTS**



**YOU GET A LOT OF  
PROTECTION FOR A LOW  
ONE-TIME CHARGE!**

COURTESY OF:

# Investors Title

INNOVATIVE BY INSTINCT

Physical: 121 N. Columbia Street, Chapel Hill, 27514

Mailing: PO Drawer 2687, Chapel Hill, NC 27515

P: 800.326.4842 | F: 888.467.2440

[www.invttitle.com](http://www.invttitle.com)