

# WHAT IS

# Title Insurance?



## So, what exactly is “title insurance?”

Well, when a property is financed, bought or sold, a record of that transaction is generally filed in public archives. Likewise, records of other events that may affect the ownership of a property, like liens or levies, are also archived.

**If you take out a mortgage loan when you buy your property, your lender will require a loan policy of title insurance.**

When you buy title insurance for your property, a title company searches these records to find - and remedy, if possible - several types of ownership issues. First, the title company searches public records to determine the property’s ownership status. After this search, the underwriter will determine the insurability of the title.

Even the most skilled title professionals may not find all problems associated with a property, though. Some risks, such as title issues due to filing errors, forgeries, or undisclosed heirs, are difficult to identify.

So, after the title company finishes its searching, it also provides a title insurance policy that will help protect you from a variety of issues that might be uncovered later

If you take out a mortgage loan when you buy your property, your lender will require a loan policy of title insurance. This protects the lender’s interest in your property until your loan is paid off or refinanced.

On the other hand, an owner’s policy of title insurance insures your ownership rights to the property. Even though you’ll pay for this policy only once, your coverage will last as long as you own your home.

A real estate purchase may be the largest financial investment you ever make. So, when you buy an owner’s policy of title insurance, just think of it as buying some peace of mind!