



BLUEBONNET™  
ABSTRACT & TITLE

## Why YOU need Title Insurance

### WHAT IS TITLE INSURANCE AND WHY DO I NEED IT?

Title Insurance protects the insured from a financial loss related to property ownership. When buying real estate, you want to be as certain as you can be that the property is YOURS. However, even the most extensive search of public records and ownership history could miss crucial information and/or title defects.

Some examples of a title defect could be a forged will or deed that ineffectively transferred the property in the past, an unfiled deed, a previously unknown heir who may have an interest/ownership in the property, a pending lawsuit or judgment on the property from a previous owner, or an issue with the title as a result of fraud previously committed by prior owners, such as false affidavits, fraudulent misrepresentations, and invalid divorces. Without title insurance protecting you and your interest in the property, any number of possible prior title defects could put you at risk of losing your property and/or investment.

In short, Title Insurance Policies are extra blankets of protection for you against any hidden or unknown mistakes, threats, or oversights – occurring in the past – that might lead to a loss of property and ultimately, a major loss of finances. **Please note that Title Commitments and Title Policies are NOT title opinions but are insurance contracts.**

**TITLE INSURANCE IS PAID ONLY ONCE.** The good news is that you only pay for title insurance policy once! There are NO renewal premiums, and there is NO expiration date on the policy. This means that as long as you own or retain an interest in the property, you are fully covered and fully protected under the Title Policy that you purchase at closing for any title defects prior to your closing date.

### WHO IS COVERED...AND WHAT DOES TITLE INSURANCE ACTUALLY COVER?

**THE BUYER'S COVERAGE:** As a buyer, your Title Insurance Policy protection is a permanent protection for you and your ownership of the property for future claims. The Title Insurance will defend all claims against you, subject to any exceptions in the Title Policy, at no additional cost to you.

**THE LENDER'S COVERAGE:** If you are using a lender to purchase your property, the lender is going to insist on and require that you purchase a Title Insurance Policy to protect THEIR interest in the loan. Be mindful though! This lender's Title Insurance DOES NOT protect you, the homeowner and buyer. So you need an Owner's Title Insurance Policy to protect yourself and your financial investment in the property.

*Your Community Title Company*™