

What Every Realtor[®] Should Know About Owner's Title Insurance



You're a Realtor[®], 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 daunting 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 seller provides the buyer with owner's title insurance to protect against possible claims against the title to the property. For more information about title insurance, direct your clients to homeclosing101.org, an educational initiative of the American Land Title Association.

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 financial 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.