

# HOW TITLE INSURANCE PROTECTS ALL HOMEBUYERS

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Title insurance protects you against any problems affecting your home's title, whether you're purchasing or refinancing a home.

## The Basics

There are two types of title insurance: the owner's policy and the lender's policy. The owner's policy protects your property rights as the homebuyer, whereas the lender's policy insures the financial investment of the bank or lender. If someone else claims ownership of your property, title insurance typically defends you legally and financially.

## Common Risks

Here are some examples of problems with title:

- Liens against the property that serve as security for the payment of an obligation (e.g. mortgage liens, judgment liens for unpaid court judgments, federal tax liens, state and local liens for failure to pay real estate taxes or assessments, mechanic's liens to secure payment for property improvements, liens for recovery of child support payments or, as in a place like New York City, for unpaid parking tickets)
- Easements that have been created by contract or arisen through use or adverse prescription (e.g. rights of way for utilities, rights acquired by neighbors because of a fence encroachment)
- Building or use restrictions contained in recorded plats, agreements or deeds
- Claims arising out of bankruptcy
- Instruments executed under invalid or expired power of attorney
- Mistakes in recording legal documents
- Misinterpretations of wills
- Claims of creditors against real property sold by heirs
- Deeds delivered after death of grantor/grantee, or without consent of grantor
- Deeds of persons of unsound mind
- Undisclosed divorce of spouse who conveys as consort's heir

These are just some of the many reasons why getting owner's title insurance is crucial when buying or refinancing a home. It gives you peace of mind that your property rights are protected.

## Refinancing

When you refinance, you are obtaining a new loan, even if you stay with your original lender. Lenders will usually require a new title search and lender's policy to protect their investment in the property. Fortunately, homeowners don't need to purchase a new owner's policy—the one you bought at closing is good for as long as you or your family own the property. However, you may want to contact Chicago Title to update your policy to reflect changes in your life.

## Enduring Value

Owner's title insurance is a low, one-time fee based on the value of your home. For example, the typical owner's title insurance policy costs an average of 0.5% of a home's purchase price. With a home being one of the largest investments you'll ever make, it's clear why getting owner's title insurance is such a smart way to give yourself peace of mind.

## Why Chicago Title when it comes to Title Insurance?

Chicago Title is a proud member of Fidelity National Financial, Inc. (FNF). FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. Chicago Title and its related companies are the providers of the referenced services. As a group, FNF is the nation's largest title insurance company and collectively issues more title insurance policies than any other title company in the United States. There are more than 1100 title operating units, and more than 16,000 employees located throughout the United States and Canada. Our title insurance and settlement service business is truly nationwide, and is extremely connected to the local market. In addition, our financial strength is second to none with over \$1.8 billion of claim reserves, you and your heirs will be protected for as long as you own your home.