

10 Reasons for Title Insurance

Have you ever wondered why you need title insurance?

Your home may be new to you, but every property has a history. A title search of the subject property can help uncover any title defects tied to it. And, subject to the terms of the policy, your title insurance provides protection for you from title problems that may become known after you close your transaction.

Some of these common title issues are:

1 ERRORS IN PUBLIC RECORDS
Clerical or filing errors could affect the deed or survey and cause undue financial strain.

2 UNKNOWN LIENS
Prior owners may not have been meticulous bookkeepers – or bill payers. Banks or other financial companies can place liens on property for unpaid debts.

3 ILLEGAL DEEDS
It's possible that a prior deed was made by a minor, a person of unsound mind, an individual who is reported single but, in actuality, married. These instances may affect the enforceability of prior deeds, affecting prior (and possible present) ownership.

4 MISSING HEIRS
When a person dies, the ownership of their home may fall to their heirs, or those named within their will. However, those heirs are sometimes missing or unknown at the time of death. Other times, family members may contest the will for their own property rights.



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UNDISCOVERED WILL

When a property owner dies with no apparent will or heir, the state may sell his or her assets, including the home. When such a home is purchased, the deceased owner's will may come to light and rights to the property may be seriously jeopardized.

6

FORGERIES

Sometimes forged or fabricated documents that affect property ownership are filed within public records, obscuring the rightful ownership of the property.

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UNDISCOVERED ENCUMBRANCES

It's possible that a third party holds a claim to all or part of the property – due to a former mortgage or lien, or non-financial claims, like restrictions or covenants limiting the use of the property.

8

UNKNOWN EASEMENTS

An unknown easement may prohibit your use or could allow government agencies, businesses, or other parties access to all or portions of the property.

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BOUNDARY/SURVEY DISPUTES

A neighbor or other party may be able to claim ownership to a portion of the property if a differing survey is discovered.

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FALSE IMPERSONATION OF PREVIOUS OWNER

Common and similar names can make it possible to falsely "impersonate" a property owner. If a home is purchased by a false owner, the new owner's legal claim to the property may be jeopardized.



Need more reasons?

Reach out to your local First American Title Representative for more information.