



OLD REPUBLIC TITLE

A COMMON TITLE PROBLEM.

How Title Insurance Works To Ensure Homeownership

Rest Easy. We're Here to Protect Your American Dream.

Every day in America, someone somewhere is buying or selling a home. Behind the scenes of each transaction is the title insurance industry — a nationwide industry of detail-minded professionals who conduct in-depth searches to uncover and remedy any problems with the title of ownership.

It could be a boundary dispute, a tax lien, a mechanic's lien, utility assessments, home improvement code violations ... the list goes on and on. Title professionals look for these possible problems, and then they make every effort to resolve them so you can move into your new home with assured peace of mind.

Plus, if a title problem should arise in the future, your Owner's Policy of Title Insurance can protect you — even to the point of paying for legal representation.

Title insurance isn't something you should think about. It's simply something you should have ... so you can think about enjoying your home.

And what's one common title problem? You'll be surprised.

“THE MORTGAGE WAS PAID OFF” OR WAS IT REALLY?

Despite our information age, the fact is some “paid off” mortgages never get registered as having been paid off.

So when a homeowner goes to sell the property, the title search may turn up a previous mortgage that the seller never knew existed. At least on paper, then, it looks like the property has two mortgages that need to be paid off, and that can hold up the sale.

How can this happen? The reasons are many, but the most common is a slow, incorrect or nonexistent filing by the previous mortgage holder.

In this situation, the title professional has to determine if the prior mortgage truly was paid off or, if it wasn't satisfied, how to pay it. Either way, the issue needs to be resolved before the house can be sold.

RECORDS MISTAKENLY SHOWED TWO MORTGAGES.

Here's an example. Back in the 1980s, the savings and loan industry experienced the collapse of numerous institutions. One Midwest institution held thousands of current and “satisfied” mortgages at the time of its failure. This paper was picked up by various other financial institutions during the dissolution proceedings, yet some of the mortgage records had been either incorrectly filed or incorrectly registered.

When the homeowner decided to sell the property, the title professional's search revealed land transaction records indicating that the first mortgage the homeowner thought had been satisfied through refinancing had not been registered as having been paid off. Thus, it "appeared" that the home was carrying two mortgages — the original loan and the current mortgage.

DILIGENT TITLE SEARCH REVEALED THE ERRORS.

The title professional knew about the savings and loan's problems and paid careful attention to any title searches that referenced that particular institution. They then verified the true mortgage holder (lender) and owner of each of the properties and secured a clear title — all without the seller, buyer, real estate professional, or lender having to do anything.

Title professionals do this kind of behind-the-scenes work every day to uncover and remedy any issues that might affect the title.

PROTECT YOUR HOME WITH TITLE INSURANCE.

Even the most thorough, detailed title search can sometimes not catch every potential title problem. So when you buy a home, insist on protecting your investment with an Owner's Policy.

If you have an Owner's Policy and a title problem is found later — even decades later — the title professional will resolve the problem and, if necessary, pay for a lawyer to defend your title claim.

It's all about protecting your piece of the American Dream . . . and protecting your peace of mind.

ASK ABOUT TITLE INSURANCE.

Having a clear title is important to the sale and purchase of a home. And title insurance is important to you, the new homeowner.

When you obtain a loan to buy your home, your lender will require that you purchase a Loan Policy of Title Insurance. This protects the lender's investment, but it provides no protection to you or your investment. So be sure to ask your real estate agent, lender or attorney about an Owner's Policy.

For a one-time fee, an Owner's Policy provides assurance that the home you're buying is protected from any title problems now and as long as you or your heirs own the home. It isn't something you should have to think about. It's simply something you should have ... so you can think about what's really important — enjoying your home. To learn more about title insurance and the closing process, please visit www.homeclosing101.org.

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