



First American Title™

What is "TITLE"?



TYLER SORENSEN
ACCOUNT EXECUTIVE

MOBILE 801.657.9018
tsorensen@firstam.com



First American Title™



WHAT IS "TITLE"?

- As it relates to real estate, "title" refers to the ownership rights to a certain piece of property.

WHAT IS TITLE INSURANCE?

- Title insurance is an insurance policy that protects property owners and their lenders against losses related to the property's title or ownership. Title insurance minimizes the risk of acquiring property whose legal history is unknown to the purchaser.

- Title insurance is issued for a **one-time fee, called a premium**, usually due at the time of closing or settling a real estate transaction, and is based on the price of the property. Title insurance coverage lasts as long as the insured or their heirs hold title to the property.

WHAT ARE THE DIFFERENT TYPES OF TITLE INSURANCE?

There are two types of title insurance:

- An **owner's title insurance policy** guarantees that the buyer has the right to the property. It usually covers the cost of any legal fees that may arise when defending a claim.
- A **lender's title insurance policy** protects a bank or other lending institution issuing a mortgage from any losses resulting from disputes over property ownership. This policy covers the amount of the loan and the premium is calculated based on that amount. Most lenders require this coverage. Unlike an owner's policy, this coverage ends when the mortgage is paid.

Examples of the many risks against which title insurance can protect a buyer are:

- Forged documents
- Fraud
- Confusion from similarity of names
- Liens existing against the property at the time the policy was issued
- Clerical errors in public records
- Inaccurate or conflicting wills and trusts related to the title
- Missing heirs claiming to own the property

