

# UNDERSTANDING *Title Insurance*

**THE TITLE INDUSTRY IN BRIEF.** When a piece of real property is financed, purchased, or sold, a record of that transaction is generally filed in public archives. Likewise, other events that may affect the ownership of a property are also documented and filed. These may include liens, levies, encumbrances, etc. When a Buyer purchases title insurance, Flying S searches these records to identify (and remedy, if possible) issues that may affect the property.



## TITLE SEARCH & EXAM

To issue a title insurance policy, the Title Officer collects the documents affecting the title to the property from the public records that are statutorily identified for the recording of real estate transactions. This process is called the search. Then the Title Officer examines these documents to identify any title defects. Once the search is complete, the title insurance agent can then determine the insurability of the title and list exceptions from coverage and requirements to insure.



## LENDER'S POLICY

When you purchase a new home or another piece of real property by securing a mortgage, you may be required by your Lender to purchase a Lender's Policy of Title Insurance. This policy insures the Lender against covered title defects up to the amount of insurance. This coverage lasts for the life of the loan under limited circumstances stated within the policy.



## OWNER'S POLICY

An Owner's Policy of Title Insurance provides insurance directly to the insured owner listed in the policy and describes the type of real property interest owned. The insurance in both an Owner's and Lender's Policy is subject to the policy provisions, which include the covered risks, exclusions from coverage, the conditions, and the exceptions to title listed on a schedule to the policy.



## TITLE INSURANCE PREMIUM

You will pay a one-time payment based on the sales price of your home for the Owner's Policy at the close of your transaction. The Lender's Policy premium is based on the loan amount and the Owner's Policy premium is based on the sales price of your new home. This is another way in which title insurance differs from other insurance models, where premiums are paid on an ongoing basis. The purchase of a home or other real estate may be the largest financial investment you ever make. Title insurance can give you added peace of mind in knowing that the title to your investment is insured.

Your Owner's Policy of Title Insurance lasts as long as you own your property. Your life will change over time, but your peace of mind never will.

*Whatever It Takes*



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