

Seven Reasons to Buy **TITLE INSURANCE**



Purchasing a home is a momentous occasion and is likely to be the biggest financial investment you'll make in your lifetime. Such an investment requires proper protection, particularly when we're talking about the very place where you and your family live, rest, bond and grow. One way to protect it is with title insurance. Here are seven reasons why title insurance is vital for homeowners' financial security.



1 A THOROUGH TITLE SEARCH

Before you commit to buying or refinancing property, a title examiner will examine title plants or public record databases to determine ownership of the property and to uncover deeds, mortgages, wills, divorce decrees, court judgments, tax records, liens, encumbrances, bail bonds, and maps associated with your potential property. This search is designed to disclose any potential title defects or legal issues ahead of time.

2 PROTECTION FROM UNFORESEEN DEFECTS

Despite the exhaustive title search, there is still potential for unforeseen title defects to arise long after you've purchased your new property. Title insurance will protect you from undisclosed or secret:

- **LIENS** that are the result of a prior owner's actions which can be placed against the property by a contractor, tax authority or lender who hasn't been paid.
- **EASEMENTS** or a third party's right to use or access your property even though you are the owner. Say a utility or sewer line runs through your backyard—if so, the utility or sanitation company will have an easement allowing them to access your property. The easement could also prohibit you from using your property however you want, such as building a garage or adding a pool.
- **ENCUMBRANCES** or other forms of claims against the property, which can include restrictive covenants imposed by homeowners' associations or leaseholder rights.
- **OUTSTANDING DEBT** from the previous owner, such as mortgages, judgments, unpaid child support or unpaid taxes.
- **CONFLICTING WILLS** or an undisclosed/unknown heir of a previous owner suddenly claiming ownership.

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3 PROTECTION FROM UNFORESEEN RISKS OR CLAIMS

If the previous record owner was deceitful or an error was made in any documents, title insurance will protect you from certain covered risks, not exceeding the amount of the insurance, including a defect in title caused by:

- Forgery of documents
- Fraud or impersonation of the property's true owners
- Clerical errors that result in a document not being properly filed, recorded, or indexed in the public records
- And more

4 PROTECTION IN COURT

Should a covered defect in your property's title or a claim arise, your title insurance underwriter will protect your financial interests, defend you in court and settle any covered claims for you.

5 A LOW ONE-TIME PAYMENT

Unlike most insurance policies that have monthly premiums, owner's title insurance requires a one-time fee at closing. Costing only about 0.5% to 1.0% of the property's purchase price (about \$1,500-\$3,000 for a \$300,000 home), this one-time fee will protect you from covered risks for as long as you or your heirs own the property.

6 DIFFERENT FROM HOMEOWNER'S INSURANCE

Often confused for one another, title insurance is not the same as homeowner's insurance. The latter protects only the property structure and your belongings, but not your right of ownership to the property.

7 PEACE OF MIND

According to the American Land Title Association, one in three title searches reveals a defect or third-party claim. While most of these unforeseen problems can be fixed, they can threaten property rights and create costly title disputes without the security of title insurance. Protecting your property rights with both lender's and owner's title insurance will give you peace of mind that your home is safely insured.

Ultimately, while most forms of insurance protect you from what might happen in the future, title insurance protects you from things that may have already happened in the past but are hidden, undisclosed or unknown.

Do you have questions or want more information?
CONTACT ME TODAY!

