

REASONS TO OBTAIN OWNER'S TITLE INSURANCE

Your lender will require that you purchase lender's title insurance, however, lender's title insurance does not cover you and your equity in your property. A lender's policy only covers the interest of the lender, its successors and/or assigns. This article explains why you need owner's title insurance. The cost is very small and it is a one time premium. For owner's title insurance you pay only \$1.00 per \$1000.00 based on the actual value of your property, plus a \$50.00 simultaneous issue premium (as of 5/1/13; subject to change). This is all that you pay in addition to the premium for the lender's policy and is based on the actual value of your property.

If you purchase your property for cash and there is no mortgage, the premium is \$4.00 per \$1000.00 actual cash value. If you borrow money later against your property, the lender will require you to purchase lender's title insurance.

The title industry is an important part of every American's life. The work we do benefits not only each individual policyholder, but the nation as a whole. And yet, many people are unfamiliar with what title insurance is, what it does for them and the benefits of having a healthy title industry. So we'd like to offer a quick glimpse into what we do for our clients day in and day out at Roger McGehee, Jr., PLLC/McGehee Loan Closings, Inc and the benefits all Americans receive from the work done by the title industry.

We protect policyholders from the unknown.

More than likely, your home is your largest investment, and we protect your interest in that investment. Title insurance protects real estate owners and lenders against any property loss or damage they might experience because of liens, encumbrances or defects in the title to the property. Each title insurance policy is subject to specific terms, conditions and exclusions. While other types of insurance (such as flood, auto or homeowners insurance) provide coverage that focuses on possible future events, title insurance protects against loss from hazards and defects already existing in the title to a property. Some examples of such defects might be improperly executed documents from a previous sale of a lien against a previous owner. You can view a list of many of the protections provided by title insurance near the end of this posting.

Over half of all real estate transactions have a problem somewhere in the chain of title. We find these issues and assist in taking corrective action to enable the transactions to go through and allow our customers to have peace of mind about their new home purchase.

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Title insurance provides valuable protection at a good value.

Another difference between other types of insurance and title insurance is in how the policies are paid for. Title insurance is purchased with a one-time premium and provides coverage for as long as the policyholder or their heirs own the property. This is unlike the annual or monthly premiums you must pay for other insurance types.

Examine the cost of title insurance over the life of the policy versus other types of insurance and you'll find that policyholders receive a great value for the money they spend.

The title industry provides benefits to the entire country, not just our policyholders.

Beyond the security and peace of mind we provide to our customers, the title industry helps to improve the transaction process in ways that benefit all of the transaction parties and the country as a whole.

- By expediting the closing process, we save consumers and the real estate industry \$1 billion a day
- We provide educational materials concerning the real estate process that empower consumers and help improve their transaction experience

We'd like to help you learn even more about title insurance, the industry and the real estate transaction process. Please browse through the links on this website to find helpful information as well as several downloads you can read at your leisure.

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What Does Title Insurance Protect You From? A lot.

There are few things in life more important than protecting your home. The following matters are examples of why you need a WFG title insurance policy. Remember that the best title examination or search cannot protect your equity and home from matters not appearing in the public records. However, a WFG Title policy* can protect you from:

Documents executed under false, revoked or expired powers of attorney

False impersonation of the true land owner

Undisclosed heirs

Improperly recorded legal documents

Prescriptive rights in another not appearing of record and not disclosed by survey

Failure to include necessary parties to certain judicial proceedings

Defective acknowledgements due to improper or expired notarization

Corporate franchise taxes as liens on corporate real estate assets

Gaps in the chain of title

Mistakes and omissions resulting in improper abstracting

Forged deeds, mortgages, wills, releases of mortgages and other instruments

Deeds by minors

Deeds which appear absolute, but which are held to be equitable mortgages

Conveyances by an heir, devisee or survivor of a joint estate who attempts to attain title by ill-gotten means

Inadequate legal descriptions

Conveyances by undisclosed divorced spouses

Duress in execution of wills, deeds and instruments conveying or establishing title

Issues involving delivery of conveyance instruments

Deeds and wills by persons lacking legal capacity

State inheritance and gift tax liens

Errors in tax records

Demolition and substandard building liens

Administration of estates and probate of wills of missing persons who are presumed deceased

Issues of rightful possession of the land

Issues concerning the rightful conveyances by corporate entities

Deeds and mortgages by foreigners who may lack legal capacity to hold title

Legal capacity of foreign personal representatives and trustees

Issues involving improper marital status

Improper modification of documents

Rights of divorced parties

Conveyances in violation of public policy

Misinterpretation of wills and ancillary instruments

Deeds by persons falsely representing their marital status

Claims by creditors of decedent against property improperly conveyed by heirs and devisees

Issues concerning unlawful takings by eminent domain or condemnation

Special tax assessments

Real estate homestead exceptions

Forfeitures of real property due to criminal acts

Issues concerning adoption of children

Conveyances and proceedings affecting rights of military personnel protected by the Soldiers' and Sailors' Civil Relief Act

Issues concerning interests noted in financial statements filed under Uniform Commercial Code

Interests arising by deeds of fictitious parties

Adverse possession

Lack of jurisdiction or competency of persons in judicial proceedings

Community property issues

Utility easements

False affidavits of death or heirship

Intestate estates

Probate matters

Federal estate and gift tax liens

*Subject to certain limitations set forth in the policy.