



PREMIER SETTLEMENTS & TITLE

September 2018 Newsletter

Welcome!

Premier Settlements and Title would like to welcome April Badger to our team! April joined Premier Settlements and Title in the middle of September. She is a seasoned administrative professional with great customer service experience. April will welcome you and assist you with all your post closing needs.

There's No Place Like Home

Across this great country, from sea to shining sea, the American dream of homeownership is alive and well. Homeownership is about being part of a community and making the house you live in a great place to call home. It's about having backyard barbecues, children's birthday parties, and neighborhood watch patrols. It's about borrowing a cup of sugar, mowing the neighbors' lawn and teaching the paperboy the difference between the front porch and front bushes. You plan on being here for a while, and you are invested in making your home and your neighborhood a better place than when you arrived.

There is nothing that provides quite the same joy, pride and sense of accomplishment as owning your own home. Even though your home may be new to you, every property has a history and there may be hidden issues in the chain of title that could affect your ownership rights to the property. An Owner's Policy of Title Insurance provides you with peace of mind by removing the hidden risks of acquiring a piece of property whose legal history is unknown to you.

COMMON TITLE ISSUES

- Errors in Public Records
- Unknown Liens
- Illegal Deeds
- Missing Heirs

- Forgeries
- Unknown easements
- Undiscovered Encumbrances
- Boundary/Survey Disputes
- Undiscovered Will
- False Impersonation of Previous Owner.

These and other issues are often covered by an Owner's Policy of Title Insurance. Additionally, the title insurance company will, at its own expense, defend the title and pay losses within the coverage of the policy if they occur.

Title insurance has been protecting homeowners for more than 130 years. Purchasing a home may be the largest financial investment you ever make. An Owner's Policy of Title Insurance can give you added peace of mind in knowing that the title to your investment in the American dream of homeownership is insured.



If Only They Had Known

There are two types of title insurance: owner's Title Insurance, called an **Owner's Policy**, and Lender's Title Insurance, called a **Loan Policy**. Most lenders require a Loan Policy when they issue you a loan, and the fee is usually based on the dollar amount of your loan. It only



protects the lender's interest in the property. It does NOT protect the buyer.

A recent news article tells of a homebuyer who purchased a home on a land contract and made monthly payments of \$1500 to the seller until they were able to secure a loan from a national lender. At the time, the lender required the buyer to purchase a Loan Policy. Because it is not required by law to purchase an Owner's Policy, the homebuyer closed on the home with only the lender's interest being protected by the Loan Policy.

Several years later, the owners of the home were notified that their house was being foreclosed on and the sale date was fast approaching. How could this have happened? As it turns out, there was a prior loan on the home that was never paid off by the previous owner. Because the current lender had required a Loan Policy, their interest in the property was covered. Had the current owners invested in an Owner's Policy, they too would have been covered. Unfortunately, without title insurance, they lost their home. Additionally, the resulting foreclosure may adversely affect their credit standing for years to come.

The homebuyers in the story stated,

"We didn't buy title insurance. We were first-time homebuyers. Had we known about title insurance, (we) definitely would have gotten it."

Many homeowners mistakenly think that because a title search has been done on the property their interest is protected.

One thing is certain... if more homebuyers were aware of the protection a First American Title Owner's Policy provides, they would purchase one, and eliminate the unnecessary risk of losing their home.

Types of Ownership

Determining how to take title to your property is a major decision with legal ramifications that may impact you and/or your heirs. The methods of owning real estate are determined by state law and you should consult with an attorney or accountant to determine

the most advantageous form of ownership for your state-specific situation.

Sole Ownership: Ownership by and individual or entity legally capable of acquiring title.

Tenancy by the Entirety: Ownership by married persons where each owns the entire estate, with the survivor taking the whole upon the other's death.

Corporation: Legal entity is a company owned by shareholders but regarded under the law as having an existence separate from those shareholders.

Trust: Legal title to property is transferred by a grantor to a person called a trustee, to be held and managed by that person for the benefit of the people specified in the trust agreement, called the beneficiaries.

Community Property: A form of ownership where spouses or domestic partners own equal interest.

Tenancy in Common: An estate or interest in land held by two or more persons, each having equal rights of possession and enjoyment, but without any right of succession by survivorship between the owners.

Life Estate: A grant or reservation of the right of use, occupancy and ownership for the life of an individual.

Joint Tenancy with Right of Survivorship: An undivided interest in property taken by two or more joint tenants. The interest must be equal, accruing under the same conveyance, and beginning at the same time. Upon the death of a joint tenant, the interest passes to the surviving joint tenants, rather than to the heirs of the deceased.

