



Understanding TITLE INSURANCE

THE TITLE PROCESS

Centric Title & Escrow performs a thorough and vigorous search of public records to eliminate any risks that may affect the title to a property. When the title search is complete, Centric Title & Escrow issues a Title Commitment.

WHAT IS A TITLE COMMITMENT?

A Title Commitment is prepared prior to issuing a policy of title insurance, and it contains information which can affect the close of escrow. The report lists exceptions and exclusions to the policy of title insurance; it is important to read the exceptions and exclusions set forth. They are intended to provide you with notice of matters which are not covered under the terms of the Title Insurance Policy. The Title Commitment is not a written representation as to the condition of the title and may not list all liens, defects, and encumbrances affecting the title to the property.

WHY DO I NEED TITLE INSURANCE?

Many homeowners assume that when they purchase a piece of property that possession of a deed to the property is all they need to prove ownership. This is not true. You and your lender will want to make sure that the property is indeed yours and that no one else has any lien, claim, or encumbrance on the property. A property owner's greatest protection is an Owner's Title Insurance Policy. Your lender will also seek protection with a Lender's Title Insurance Policy.

WHAT IS TITLE INSURANCE?

Centric Title & Escrow works to identify and eliminate existing claims against a property or discrepancies that cloud title to a property. Title Insurance indemnifies you against loss under terms of the policy. Prior to closing, Centric Title & Escrow carefully examines public records to identify and eliminate potential claims and defects that may have been created in the past. Centric Title & Escrow maintains "Title Plants" that contain information regarding property transfers and liens reaching back many years. However, claims can surface after a property is acquired. Unrecorded liens may surface, missing heirs may claim the property, or taxes might have been unpaid. The Owner's Title Insurance Policy protects the new owner by providing legal and financial redress. It is important to purchase the Owner's Title Insurance Policy because the Lender's Policy only protects the lender.

WHAT PROTECTION WILL I RECEIVE FROM MY TITLE POLICY?

A Title Insurance Policy pays for legal fees in defense of a claim against property covered under your policy. It also contains provisions for indemnification against losses that result from a claim. The title insurance premium is paid at the close of escrow and no additional premiums are paid as long as you own the property.



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AF-120721