



**ALTA**  
American Land Title Association

# THE FAQs OF TITLE INSURANCE FOR HOMEOWNERS

**A HOME IS THE SINGLE LARGEST INVESTMENT MOST OF US WILL MAKE IN OUR LIVES. TO BUY WITH CONFIDENCE, GET OWNER'S TITLE INSURANCE. IT'S A SMART WAY TO PROTECT YOUR PROPERTY FROM FINANCIAL CLAIMS. TO HELP YOU UNDERSTAND HOW IT WORKS, HERE ARE ANSWERS TO COMMON QUESTIONS:**

## **WHAT IS TITLE?**

A title is right to own or use your property. Title also any limitations on those rights.

## **WHAT IS A TITLE SEARCH?**

A title search is a standard part of the home buying process that is conducted to uncover issues that could prevent your right to the property. Your closing agent reviews public records to see if there are problems or defects that could cause you legal issues.

## **WHAT IS TITLE INSURANCE?**

If you're buying a home, title insurance is a policy that protects your investment and property rights.

There are two different types of title insurance: owner's policy and lender's policy.

- 1** An owner's policy protects your property rights for as long as you own the home.
- 2** A lender's policy is usually required by the lender and protects only the lender's financial interests. We recommend you ask an ALTA member how it's handled in your area.

## **WHY SHOULD I PURCHASE OWNER'S TITLE INSURANCE?**

Purchasing owner's title insurance is a smart decision because it's the best way to protect your property from possible future claims.

## **WHAT DOES OWNER'S TITLE INSURANCE COST?**

The one-time payment for owner's title insurance is low relative to the value of your home. The typical title insurance policy costs around 0.5% of the home's purchase price.

## **HOW LONG AM I COVERED?**

Your owner's insurance policy lasts as long as you own your property. Your life will change over time, but your peace of mind never will.

## **WHAT HAPPENS AT SETTLEMENT?**

You sign the legal documents and receive the keys to your home.

For more information about owner's title insurance, ask an ALTA member or visit [homeclosing101.org](http://homeclosing101.org)