



WHAT EVERY REALTOR® SHOULD KNOW ABOUT OWNER'S TITLE INSURANCE

Make sure all of your clients are protected

Owner's title insurance is one of those items often misunderstood by homebuyers at closing, yet its value is tremendous. As an important advisor to your clients, you are in the position to help them understand the value of owner's title insurance and the dangers that can be incurred without it.

What is title insurance?

Owner's title insurance is a policy that protects homebuyers' property rights. For the same reasons that a bank requires a lender's insurance policy its security interest in the property (Deed of Trust), a homebuyer obtains owner's title insurance to protect their legal rights to their property.

How it protects your clients

Say, for example, your client recently purchased a new home from a builder, but the builder failed to pay the roofer. Wanting to be paid, the roofer files a mechanic lien against the property. Without owner's title insurance, your client would be primarily responsible for paying that debt—meaning they'd be paying the roofer out-of-pocket instead of purchasing something nice for their new home, like new living room furniture. This is just one classic example of how owner's title insurance protects homebuyers' from various risks. With owner's title insurance, your client would be protected from significant liabilities or financial responsibilities.

Enduring value

The good news is that owner's title insurance protects homebuyers as long as they (or their heirs*) own the home. For a low, one-time premium, homebuyers can rest assured, knowing they are protected from assuming existing debts or claims to their property.

State regulations and CFPB

The Colorado Division of Insurance regulates title insurance rates. Title Insurance underwriters file those rates directly with the Division. Closing Fees and other costs are filed with the Division by the settlement agent. In addition, the Consumer Financial Protection Bureau regulates closing and settlement practices which can impact title insurance.

*For these and other transfer issues, please contact us to discuss those details. This is general information only. Contact us for any specific information needed for your real estate transaction. For legal or tax advice, please contact your attorney and/or accountant.



Free resources for Realtors®

Together, real estate agents and brokers, title insurance professionals, and other stakeholders involved in real estate transactions can protect sellers and buyers by providing them with the peace of mind they deserve during the home closing process.

For more information about title insurance, and to get free resources for real estate agents and brokers, visit www.alta.org/realtor.

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