

ChicagoBlog

where we share our knowledge and experience.

Happy Father's Day!



When it comes to Title and Escrow related issues, a picture's worth a thousand words. Chicago Title had proudly put together a library of Title & Escrow Videos that you can collect and send to your Home Buyers or Sellers. In the weeks to come, all Chicago Title email subscribers will begin receiving these videos via email. Be sure to contact your local sales representative if you are currently not a subscriber.

Title: What is Escrow?

This video explains the escrow process and the responsibilities of the Escrow Officer.



Title: What is Title Insurance?

This video explains the benefits of purchasing Homeowners Title Insurance and its' coverages.



Title: What to look for in a Title Company

This video explains the importance of choosing the RIGHT Title Company.



June Fun Facts & Events

1. June Birthstones: Pearl, Alexandrite, & Moonstone
2. Zodiac Signs: Gemini (5/21 - 6/20) & Cancer (6/21 - 7/22)
3. June Flower of the month: Rose
4. Fruit for the month of June: Strawberries
5. Veggies for the month of June: Peas & Broad Beans
6. June 15 - Father's Day
7. June is National Candy Month
8. June is National Fruits & Vegetable Month
9. June is Colorectal Cancer Awareness Month
10. June 1st - the start of Atlantic Hurricane Season
11. June 14 - Flag Day
12. June 21 - First Day of Summer

ESCROW CORNER

Why do I need Title Insurance?

In fact, the question should be: "If there is already a Lender's Title Policy on the property, why do I need the ALTA Homeowner's Policy? You need to understand that a lender goes to great lengths to minimize the risk of lending them the money you need to buy a home. First, your credit is checked as an indication of your ability to pay back your loan. Then the lender goes a step further...

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Why do I need Title Insurance?

The Lender makes sure that the quality of the title to the property you are about to buy and which you will pledge as security for the loan is satisfactory. The lender does this by obtaining a lender's policy of title insurance.

The Lender's Policy Doesn't Protect You.

The lender's policy protects the lender against loss due to unknown title defects. It also protects the lender's interest from certain matters which may exist but not be knowable at the time of sale.

But this policy only protects the lender's interest. It does not protect you. That's why you need an owner's policy, which can be issued at the same time as the lender's policy for a nominal one-time fee.

What Danger Of Loss Can You Face?

If a lender has title insurance protection and you don't, what possible danger of loss can you face?

As an example, let's say you've bought a home for \$100,000. You've made a \$20,000 down payment, and your lender holds a \$80,000 mortgage lien or beneficial interest. Your lender has title insurance coverage protecting the lender's interest up to \$80,000. But your \$20,000 is not covered.

What if some matter arises affecting past ownership of the property? The title insurance company would only defend and protect the interest of the lender. You would have to assume the financial burden if your own legal defense. If your defense is not successful, the result could be a total loss of title.

The title insurance company pays the lender's loss and is entitled to take assignment of your debt. You are out of your down payment, other equity in the property which you have accumulated, and your home. And you still owe the remaining balance on your note.

How Can There Be A Title Defect If The Title Has Been Searched And A Loan Policy Issued?

Title insurance is issued after a careful examination of copies of the public records. But even the most thorough search cannot absolutely assure that no title hazards are present, despite the knowledge and experience of professional title examiners. In addition to matters shown by public records, other title problems may exist that cannot be disclosed in a search.

What Protection Does Title Insurance Provide Against Defects And Hidden Risks?

Title insurance will pay for defending against lawsuits attacking your title as insured, and will either clear up title problems or pay the insured's losses. For a one-time premium, an owner's title insurance policy remains in effect as long as you, or your heirs, retain an interest in the property, or have any obligation under a warranty in any conveyance of it. Owner's residential title insurance, issued simultaneously with a lender's policy, is the best title insurance value you can get. By combining the expertise in risk elimination at the time of issuing a policy, and protection against hidden risks as long as the policy remains in effect, your title insurer protects against title loss.

WHAT TITLE INSURANCE PROTECTS AGAINST

Here are just a few of the most common hidden risks that can cause a loss of title or create an encumbrance on title:

- Someone else owns an interest in your title
- Someone else has rights affecting your title arising out of leases, contracts or options.
- Someone else has an easement on the land.
- Someone else has a right to limit your use of the land.
- Your title is defective.
- Liens for unpaid estate, inheritance, income or gift taxes
- Someone else has an encumbrance on your title.
- Someone else claims to have rights affecting your title arising out of fraud, duress, incompetency or incapacity.
- You are forced to correct or remove an existing violation
- You are forced to remove or remedy your existing structures, or any part of them -- other than boundary walls or fences -- because any portion was built without obtaining a building permit from the proper government office.
- You cannot use the land because use as a single family residence violates an existing
- Someone else has a legal right to, and does, refuse to perform a contract to purchase
- Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects your title which is based upon race, color, religion, sex, handicap, familial status or national origin.

For a complete list of covered risks, please contact your local Chicago Title Office for details.

The peace of mind in knowing that the investment you've made in your home is a safe one.

If you have any questions concerning title insurance coverage, please call a Chicago Title office. We are here to assist you.