



HUDKINS LAW^{PLLC}

IMPORTANCE OF TITLE INSURANCE

When purchasing a home, you are purchasing “title” to the property. This means that you have the “right” to occupy, use and enjoy the space. However, your “right” to “title” may be limited by rights and claims asserted by others. This can ultimately limit your use and enjoyment of the property and may even result in a financial loss. Title insurance protects against these types of losses.

While other types of insurance policies focus on potential future events, TITLE INSURANCE protects against hazards and defects that already exist. The cost of title insurance is a one-time premium paid at closing.

Title insurance policies cover incidents arising from some of the following events:

- Defects, liens, or encumbrances other than those that have been identified and listed in the title insurance policy
- Deeds, wills and trusts that contain improper wording or incorrect names
- Outstanding mortgages and judgments or a lien against the property in the event that the seller has not paid his taxes
- Easements that allow construction of a road or utility line
- Pending legal action against the property that could affect a purchase
- Incorrect notary acknowledgements
- A forged signature on a deed
- An unknown heir of a previous owner who is claiming ownership in the property
- Instruments executed under an expired or a fabricated power of attorney
- Mistakes in public records

Title Insurance also insures that:

- You are the true, legally recognized owner of the property
- You can sell your home to another buyer without being rejected because of a defect in the title you were unaware of when you purchased the policy.
- You have a legal right to access your property from a public street or a privately owned point of access

Title insurance offers financial protection against these and other hazards. The title insurer will pay all costs including attorneys’ fees and other expenses associated with defending an attack on title, and will either perfect the title or pay valid claims

For additional information, please contact:

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