

Q. What is title insurance and why do I need it?

- A.** Title insurance assures that the borrower has clear title to the home they are purchasing. A title search is the primary component of “due diligence,” a process that will be started either by the borrower’s attorney, if they are using one, or by the title company the borrower chooses. The title search determines whether the seller actually owns the property and if there are any claims against it. Obtaining title insurance protects the borrower from purchasing property that was obtained or being sold as a consequence of fraudulent circumstances. If, after closing, a cloud appears on the borrower’s title, the title insurance company is responsible for clearing the cloud from the title. Do not purchase a home without first obtaining a title insurance policy.