



WHAT IS IT AND WHY DO I NEED IT?

Title Insurance provides coverage guaranteeing ownership of your home and the validity and enforceability of the lender's lien. Unlike most forms of insurance, title insurance is an assurance to the insured of the current status of ownership.

An Owner's Policy protects the interest of the owner of a property and is usually sent to the owner of record with the recorded Warranty Deed which established ownership.

A Mortgage Policy protects the lender's interest and guarantees the priority of the loan. It is usually sent to the lender with copies of the deed of trust and any assignments.

THE TITLE PROCESS, STEP BY STEP

- 1** When the contract is received and the order is placed to request preliminary title work, your order goes to the research plant where the chain of title is examined. The information compiled in research is typed into a title commitment which is sent to your closer, real estate agent, lender, attorney, or others as you instruct.
- 2** The title commitment is reviewed again by the closing agent and compared with the contract and loan closing instructions to assure that all information is consistent. The closer makes note of any requirements which must be satisfied prior to closing.
- 3** If the title commitment shows a mortgage to be paid off, the closer will order payoff figures from the existing lender. If there are liens or judgements against the property, the closer will assess the situation and make sure everything is taken care of by closing.
- 4** Trusts, corporations, deceased owners, tax liens, and many other circumstances require special attention. Nodaway County Abstract & Title Company provides this attention to make the title process look effortless.

STEPS 5-11 ►

FINAL STEPS

- 5** Each closing is unique. Much of the behind the scenes work is fairly commonplace for the knowledgeable professionals at Nodaway County Abstract & Title Company. You or your real estate agent will be busy arranging for property inspections, surveys, termite reports and more at this point. When bills are sent to the closer, they are added to the fees to be collected for at the closing.
- 6** The closer will bring any problems or discrepancies that are discovered to the attention of the appropriate parties so these can be corrected.
- 7** Once the preliminary title work is complete and all information on the contract, loan closing documents and title commitment has been compared and complied with, the settlement agent is ready to prepare the HUD-1 Settlement Statement.
- 8** All costs must be shown on the HUD-1. This includes costs paid at closing, as well as prepaid costs, such as earnest money deposit or the loan application fee. If you are a buyer and are getting a loan to purchase residential property, your lender must provide you with a Good Faith Estimate of your loan costs and information explaining the settlement process.
- 9** As closing day approaches, the closer orders any updated information which might be required. Once the settlement agent is satisfied the paperwork is in order, they confirm the date and time of the closing with the parties and the closing is completed.
- 10** After closing, there is more to be done. Funds are disbursed for title insurance, recording, commissions, lien clearance, inspections, etc. Documents are recorded at the courthouse.
- 11** Once all documents have been recorded and verified by the Recorder of Deeds, it is time to issue a policy of title insurance to protect the new owners against any hidden title problems for as long as they own the property. Or, in the case of a loan closing, the policy.



The process begins again if there is a refinance, second mortgage or home equity loan, construction policy, foreclosure, or any sale of the property.