



# The FAQs of Title Insurance For Homebuyers

A home is the single largest investment most of us will make in our lives. To buy with confidence, understand your owner's title insurance policy. It's the smart way to protect your property from legal and financial claims. **To help you understand how it works, here are answers to common questions:**

## What is title?

A title is your ownership right to your property.

## What is a title search?

A title search is a standard part of the home buying process that is conducted to uncover issues that could affect your right to and ownership of the property. Your title or closing agent reviews public records to see if there are problems or defects that could cause you legal issues.

## What is title insurance?

If you're buying a home, title insurance is a policy that protects your investment and property rights.

There are two different types of title insurance: owner's policy and lender's policy.

- 1 An owner's policy protects your property rights for as long as you or your heirs own the home. The seller typically pays for this policy.
- 2 A lender's policy is usually required by the lender and protects only the lender's financial interests. The buyer typically pays for this policy.

## Why do I need owner's title insurance?

Owner's title insurance protects your property rights. It is by far the best way to protect your property from future legal claims.

## What does owner's title insurance cost?

The one-time payment for owner's title insurance is low relative to the value of your home. The typical owner's title insurance policy costs around 0.5% of the home's purchase price.

## How long am I covered?

Your owner's insurance policy lasts as long as you or your heirs own your property. Your life will change over time, but your peace of mind never will.

## What happens at the real estate closing?

You sign the legal documents that transfer rights and ownership and receive the keys to your home. You will receive your title insurance policy shortly after all documents are recorded.

*Attorneys' Title Guaranty Fund, Inc. (ATG) is a title insurance underwriter doing business in Illinois and Wisconsin.*

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