



HARRIS LAW & CO.

Protecting Families & Businesses Through All of Life's Journeys

Do you Need Title Insurance?

We get asked all the time if Title Insurance is really necessary. Now, we do not sell Title Insurance. But, YES! We highly recommend that you obtain title insurance when purchasing real property—regardless if you have a loan or not. Whether we are doing a Purchase Agreement between family or friends, a Sale Contract, or a Contract for Deed, we ALWAYS recommend (almost insist) on Title Insurance.

What is Title?

Title refers to your ownership right in your property.

What is Title Insurance?

Title insurance is an insurance policy that protects your investment and property rights. There are two types of policies: owner's & lender's title insurance. Owner's policies protect your property rights for as long as you or your heirs own the home. On the other hand, Lender's policies only protect the lender's financial interests. Lender's policies are generally required anytime you are borrowing funds to purchase real property. Generally, the buyer will still be responsible for the cost of a lender's policy.

Why Purchase Owner's Title Insurance?

Title insurance protects your property rights from future legal claims & covers legal fees for settling these claims.



Bob & Cindy bought a beautiful lake home. The home has big front windows, a kitchen meant for family gatherings, and enough room for their children and grandchildren to visit often and make a lifetime of memories. Bob & Cindy sell their house in the city and have enough cash to pay for their lake home. As they pull up to the lake home, the moving company is arguing with a man in the front yard. Bob gets out to figure out what is going on. Bob's first thought is: "great, I have this neighbor." 5 minutes later Bob learns that the man owns the home, that the couple that sold him the home committed fraud and filed a deed that did not convey legal ownership, & that Bob and his wife not only have no place to live, but they lost the money they've saved their whole life to retire on the lake.

INFORM. EDUCATE. EMPOWER.

At Harris Law & Trust Co., we help families and businesses all day, every day. It is what we do. Our business is built on our core values of informing, educating, and empowering our community.

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EMPOWER.**



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Our Passion Shows!



Thank you for
helping us better
serve our
community by
referring us to your
friends & family.

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This is one of many reasons title insurance matters and the title company you work with matters. Most qualified title insurance companies would have discovered this fraudulent deed before the purchase was completed. Saving Bob & Cindy the time and stress of being homeless, figuring out where to put their moving boxes, and from figuring out where they can now afford to move.

Second, the owner’s policy will now kick in and they will determine the validity of the neighbor’s claim, cover any legal fees, and return the payment Bob & Cindy made on the home to them so they can purchase a different property. Yes, they are still out their time, but they did not lose the opportunity. They still have their savings and they can still afford the lifestyle they planned for themselves and their family.

This scenario may be straightforward, but not all title disputes are so clear cut. Often, there may be 1/30th of the interest in the house that was improperly conveyed when the original owner passed away. The property may have been previously owned in an entity (LLC or Corporation) and the wrong officer innocently signed the property over to an unexpected buyer. And so on and so on. Title disputes are more prevalent than you realize. Why wouldn’t you protect one of your biggest investments?

What does Title Insurance Cost?

The *VALUE* of title insurance far exceeds the cost. Title insurance is a 1-time payment for as long as you or your heirs own the property. Generally, title insurance costs about 0.5% of the home’s purchase price.

What Title Insurance Company Should I Use?

Just like attorney’s, the title company you use should depend on your needs. Not every company is going to be the right fit for your transaction. If you are working with us, we will be able to recommend a company and title officer we believe best fits your needs.

Should I Call my Estate Planning Attorney?

Don’t forget to call your estate planning attorney if you are buying or selling real property to ensure the title work aligns with your planning goals. Did you put it in your trust? Is the trust listed right? A quick email or 10-minute phone call is worth ensuring that you did not accidentally cause a bump in the road for your will or trust. Plus, if you are already our client, we offer this service at no cost to you as we value your planning actually working over sending out a bill for a 6-minute phone call. Values.

**Bob & Cindy are fictional characters used for illustration purposes only. This article gives general information only and is not intended to give legal advice.*