

## *Title Insurance*

*There are two kinds of title insurance – a lender's title policy and an owner's title policy. To protect their interest in the property, mortgage lenders require buyers to purchase a lender's title policy. But a lender's title policy doesn't protect the buyer's interest as the homeowner.*

*To protect their interest in the property the buyer needs an owner's title policy. This policy pays for all court costs and related fees associated with any claim that might come up and if a claim is found to be valid, the actual loss is covered, up to the face amount of the policy. In Alabama, it is customary for the buyer and seller to split the cost of the two title insurance policies.*

*Some of the things a title policy will protect against include:*

- Fraud*
- Liens for unpaid estate inheritance and gift taxes against prior owners of your home.*
- Unrecorded easements – rights of way*
- Undisclosed Heirs of former owners of you home or the land on which it is situated.*
- Invalid deeds delivered after the death of the grantor*
- Invalid documents executed under expired power of attorney*
- Deeds by persons of unsound mind*
- Deeds by minors*
- Deeds by supposedly single persons who are actually married*