

# UNDERSTANDING TITLE INSURANCE

## Title Insurance

Is available for new purchase or a resale home

Title Insurance covers Homes, Condos cottage, recreational property, farms , leaseholds and multi unit up to 4 units

The buyer pays a one time premium at time of purchase

It eliminates the need for an up to date survey

It can reduce disbursements by eliminating the need for certain searches.

It insures both the Buyer and Lender under same policy at no extra charge.

It gives lenders the security to advance funds without worry over title problems

Its an instant solution to claims including any problems with Lawyer services

Funds are handled by a lawyer under strict legal requirements

Automated filing places the policy, immediately on closing.

Title insurance remains in place as long as the client or their heirs own the property

## Property Protection

Title Insurance protects against unpredictable and undetectable issues that could affect marketability , such as error in info provided by the Municipality, or in a survey, forgery or fraud, including post policy encroachments, fraud, construction liens and known problems such as an addition that does not show on a survey.

le: Shortly after closing the buyer discovers that an addition to the home encroaches on the neighbours property, but the seller had sworn a declaration that he had not made any changes. The buyer had purchased title insurance as an up to date survey was not available. Title company would either purchase the property under the addition and absorb all municipal costs OR pay for the removal of the portion that encroaches plus compensation for the decreased value.

le: Alice provides a private mortgage to Carl, secured by his common law wife Betty's property. Carl has a woman impersonate Betty to sign documents. When Alice receives No mortgage payments it is discovered the real Betty had no knowledge of the transaction. Alice was compensated by the Title Insurance.

## Legal Services

Title Insurance provides comprehensive coverage for the services provided by the Lawyer, avoiding suing a Lawyer for any errors or incompetence

ie: a couple purchase a Condo with a lake view, described as a certain level and unit, . The lawyer reviews the Status certificate and fails to note the change in unit number on the docs, the purchaser ends up getting title to a unit with no lake view and the unit he thought he was buying is sold to another party. Title insurance compensated the buyer for his loss with a settlement for the difference in value.

le: a buyer of a new property instructed her lawyer she wished to pay cash rather than incur the interest charges of a Vendor Take back Mortgage. The agreement allowed for this option, but the lawyer failed to follow through and the buyer ended up with a vendor take back mortgage on closing.

Title insurance compensated her for the interest amount

**For a small one time premium, Title Insurance buys peace of mind against a multitude of errors or fraud**



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