

A Homebuyer's Workbook



Chicago Title

A Workbook to Assist...

**...Your Homebuying
Experience**

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Realizing The American Dream

Buying vs. Renting

Trends in home prices, personal income and mortgage rates, combined with the tax advantages of home ownership, make this an excellent time to turn the home of your dreams into reality. If you're thinking of buying a home, you've probably already asked yourself, "Can I afford to buy?" Another good question to ask is "Can I afford to continue renting?" No matter what you're currently paying for rent, your total cash outlay over a period of several years will probably add up to a much higher total than you may have realized. The following chart shows how quickly the rent payments you're making add up figuring in what this money would earn invested at 5 percent interest.

Rent per Month 10 years	Rent Payment 10 years	Rent Payment 20 years	Rent Payment 30 years
\$400	\$62,113.00	\$164,413.00	\$332,903.00
\$500	\$77,641.00	\$205,517.00	\$416,129.00
\$600	\$93,169.00	\$246,620.00	\$499,355.00
\$700	\$108,698.00	\$287,724.00	\$582,581.00
\$800	\$124,226.00	\$328,827.00	\$665,807.00
\$900	\$139,754.00	\$369,930.00	\$749,033.00
\$1,000	\$155,282.00	\$411,034.00	\$832,259.00
\$1,100	\$170,811.00	\$452,137.00	\$915,484.00
\$1,200	\$186,339.00	\$493,240.00	\$998,710.00
\$1,500	\$232,923.00	\$616,551.00	\$1,248,388.00
\$2,000	\$310,565.00	\$822,067.00	\$1,664,517.00
\$2,500	\$388,206.00	\$1,027,584.00	\$2,080,647.00

With the money you are currently spending on rent, you could be building equity in your home. Keep in mind, too, that over the years your income most likely will increase faster than any increase in your mortgage payment. Rent payments, on the other hand, tend to increase - right along with your paycheck.

Mortgage Rates

As a rule of thumb, a one point drop in mortgage rates means that half a million more families can qualify for affordable financing. Yours could be one of them!

Rates for conventional, 30-year fixed rate mortgages remain at historically low levels and increasingly popular alternate forms of financing may make your loan even more affordable. Your real estate agent or loan officer can provide information on the types of financing plans available to you.

Homeowner Tax Advantages

When you're figuring out how much you can afford to commit to monthly mortgage payments, don't forget the tax advantages of home ownership. Both property taxes and interest payments on a mortgage for an owner occupied home are currently tax-deductible. In the early years of a typical mortgage, all but a small percentage of each monthly payment is used to pay off the interest on the loan. This means that as a homeowner, your annual taxable income could be substantially reduced by deducting the payments you make on property taxes and yearly mortgage interest. Ask your CPA, attorney or tax preparer how buying a home now would affect your tax situation at the next filing deadline on April 15th.

Home Value Appreciation

In addition to tax advantages, you can also benefit from any increase in the value of your home through appreciation and improvements you add for your own comfort and enjoyment.

You Can Make Home Ownership a Reality

Take a good look at your personal financial situation in comparison to housing price trends and mortgage plans available in your community. You will probably discover that you are closer to home ownership than you had realized. Buying a home is probably one of the biggest investments you'll ever make. And when it's your first home, it is especially important that you seek qualified assistance. Your local real estate agent or broker has the experience and expertise to help you find - and purchase - the home of your dreams.



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How Much Home Can You Afford?

Home Mortgage Qualifying Worksheet

Home Prices, interest rates, and tax deductions combine to make this a great time to buy! How to use this worksheet: Estimate the purchase price of the home you would like to buy and the down payment you can afford. Complete each entry based upon this assumption and your personal financial situation.

Monthly Gross Income	
Borrower's annual income	\$ _____
Co-borrower's annual income	+ _____
Total gross annual income	\$ _____
Divide total gross annual income by 12 mos	_____
A. Total Monthly Gross Income	\$ _____
<i>Allowable Monthly Housing Cost</i>	
Total monthly gross income (Insert Line A)	\$ _____
Multiply by 28% (.28)	x _____
B. Allowable Monthly Housing Cost	\$ _____
<i>Mortgage Amount</i>	
C. Home Purchase Price	\$ _____
Subtract Down payment	- _____
D. Mortgage Loan Amount	\$ _____
<i>Monthly Taxes and Insurance</i>	
Home Purchase Price (Insert Line C)	\$ _____
Multiply by .0015 (Local Requirements vary)	x _____
E. Estimated Monthly Taxes and Insurance	\$ _____
<i>Monthly Housing Cost</i>	
Monthly Payment (P&I) on 30-year Loan (use chart based on line D)	\$ _____
Estimated Monthly Taxes and Insurance (Insert Line E)	+ _____
Condo or Homeowner's Fee (If Applicable)	+ _____
F. Total Monthly Housing Cost	\$ _____
<i>Allowable Monthly Debt</i>	
Total Monthly Gross Income (Insert Line A)	\$ _____
Multiply by 36% (.36)	x _____
G. Allowable Total Monthly Debt	\$ _____
<i>Other Monthly Debt Payments</i>	
Car Payment	\$ _____
Credit Card Payments	+ _____
Student Loans	+ _____
Other (anything that won't be paid off in 6 mos. or less)	+ _____
H. Total Other Monthly Debt Payments	\$ _____
<i>Total Monthly Cost</i>	
Total Monthly Housing Cost (Insert Line F)	\$ _____
Total Other Monthly Debt (Insert Line H)	+ _____
I. Total Monthly Cost	\$ _____

If your Monthly Housing Cost (F) is not more than your Allowable Monthly Housing Cost (B), and your Total Monthly Cost (I) is not more than your Allowable Monthly Debt (G), You may qualify for this mortgage.

And, when you buy, rely on

Chicago Title to protect

your ownership rights.

We are proud to be a

member of your real

estate team.



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How Much Home Can You Afford?

Home Mortgage Qualifying Rate Schedule

Loan Amount	Interest Rates											
	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%
\$70,000	\$376	\$397	\$420	\$442	\$466	\$489	\$514	\$538	\$563	\$589	\$614	\$640
\$80,000	\$429	\$454	\$480	\$506	\$532	\$559	\$587	\$615	\$644	\$673	\$702	\$732
\$90,000	\$483	\$511	\$540	\$569	\$599	\$629	\$660	\$692	\$724	\$757	\$790	\$823
\$100,000	\$537	\$568	\$600	\$632	\$665	\$699	\$734	\$769	\$805	\$841	\$878	\$915
\$110,000	\$591	\$625	\$660	\$695	\$732	\$769	\$807	\$846	\$885	\$925	\$965	\$1,006
\$120,000	\$644	\$681	\$719	\$758	\$798	\$839	\$881	\$923	\$966	\$1,009	\$1,053	\$1,098
\$130,000	\$698	\$738	\$779	\$822	\$865	\$909	\$954	\$1,000	\$1,046	\$1,093	\$1,141	\$1,189
\$140,000	\$752	\$795	\$839	\$885	\$931	\$979	\$1,027	\$1,076	\$1,126	\$1,177	\$1,229	\$1,281
\$150,000	\$805	\$852	\$899	\$948	\$998	\$1,049	\$1,101	\$1,153	\$1,207	\$1,261	\$1,316	\$1,372
\$160,000	\$859	\$908	\$959	\$1,011	\$1,064	\$1,119	\$1,174	\$1,230	\$1,287	\$1,345	\$1,404	\$1,464
\$170,000	\$913	\$965	\$1,019	\$1,075	\$1,131	\$1,189	\$1,247	\$1,307	\$1,368	\$1,429	\$1,492	\$1,555
\$180,000	\$966	\$1,022	\$1,079	\$1,138	\$1,198	\$1,259	\$1,321	\$1,384	\$1,448	\$1,511	\$1,580	\$1,647
\$190,000	\$1,020	\$1,079	\$1,139	\$1,201	\$1,264	\$1,329	\$1,394	\$1,461	\$1,529	\$1,598	\$1,667	\$1,738
\$200,000	\$1,074	\$1,136	\$1,199	\$1,264	\$1,331	\$1,398	\$1,468	\$1,538	\$1,609	\$1,682	\$1,755	\$1,829
\$210,000	\$1,127	\$1,192	\$1,259	\$1,327	\$1,397	\$1,468	\$1,541	\$1,615	\$1,690	\$1,766	\$1,843	\$1,921
\$220,000	\$1,181	\$1,249	\$1,319	\$1,391	\$1,464	\$1,538	\$1,614	\$1,692	\$1,770	\$1,850	\$1,931	\$2,012
\$230,000	\$1,235	\$1,306	\$1,379	\$1,454	\$1,530	\$1,608	\$1,688	\$1,769	\$1,851	\$1,934	\$2,018	\$2,104
\$240,000	\$1,288	\$1,363	\$1,439	\$1,517	\$1,597	\$1,678	\$1,761	\$1,845	\$1,931	\$2,018	\$2,106	\$2,195
\$250,000	\$1,342	\$1,419	\$1,499	\$1,580	\$1,663	\$1,748	\$1,834	\$1,922	\$2,012	\$2,102	\$2,194	\$2,287



Buyer's Needs Worksheet

Fill Out and give to your Realtor

Buyer's Information

Name: _____
Address: _____ City: _____
Home Phone: _____ Work Phone: _____
Spouse Phone: _____ Fax: _____
Cell Phone: _____ Email Address: _____

How many will be living in your home? _____ How many kids? _____
Do you have any pets? _____ What kind? _____
Where are you employed? _____
Where is your spouse employed? _____
Are you currently working with another Broker? _____ If yes, which Broker? _____
Currently you are a: Homeowner 1st Time Buyer (circle one)
How soon would you like to move? _____ Have you started looking for a home? _____
If so, how long have you been looking? _____ What areas? _____
What did you see that you liked? _____

Area Information

What areas would you like to live in: _____

Are public/private schools and issue? _____
Is access to your place of employment an issue? _____ Do you work at home? _____
Is access to schools an issue? _____ Which school? _____
Is access to shopping an issue? _____ Which shopping center? _____
Is access to public transportation an issue? _____
If so, what type of transportation would benefit you? Bus Airport Train Other _____
How will purchasing a home most benefit you? _____
Other necessities and amenities: _____



Buyer Needs Worksheet (con't)

Fill Out and give to your Realtor

Home Information

What style of home do you prefer?

- | | | |
|--|--|------------------------------------|
| <input type="checkbox"/> Single Family | <input type="checkbox"/> Townhouse/Condo | <input type="checkbox"/> Victorian |
| <input type="checkbox"/> Duplex | <input type="checkbox"/> Ranch | <input type="checkbox"/> Bungalow |
| <input type="checkbox"/> Colonial | <input type="checkbox"/> Tudor | <input type="checkbox"/> Southwest |
| <input type="checkbox"/> Mediterranean | <input type="checkbox"/> Contemporary | <input type="checkbox"/> Other |

Desired condition?

- | | | |
|----------------------------------|--|--------------------------------------|
| <input type="checkbox"/> Move In | <input type="checkbox"/> Some Cosmetic | <input type="checkbox"/> Total Rehab |
|----------------------------------|--|--------------------------------------|

How many Stories?

- | | | | |
|------------------------------------|--------------------------------------|--|--------------------------------------|
| <input type="checkbox"/> One Story | <input type="checkbox"/> Two Stories | <input type="checkbox"/> Three Stories | <input type="checkbox"/> Split Level |
|------------------------------------|--------------------------------------|--|--------------------------------------|

What size garage interests you?

- | | | |
|----------------------------------|----------------------------------|------------------------------------|
| <input type="checkbox"/> One car | <input type="checkbox"/> Two car | <input type="checkbox"/> Three car |
|----------------------------------|----------------------------------|------------------------------------|

Will you need a workshop area or storage space? _____

Are you interested in having a pool? _____

Spa? _____ Deck? _____

Lot Size: _____ to _____

Price Range: _____ to _____

Sq. Ft.: _____ to _____

Bathrooms: _____ to _____

Age of Home: _____ to _____

Bedrooms: _____ to _____

Review the following property features and check each box by importance to you, with (1) being an important need, (2) being desirable and (3) not important:

	1	2	3		1	2	3
Large Kitchen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fireplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakfast Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	View	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Air Conditioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Office/Den	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dining Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Laundry Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Large Master Bdrm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Storage Space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Walk-in Closets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Bonus Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other necessities and amenities: _____



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Getting Pre-qualified

Most Real Estate Agent and Lenders recommend that home buyers get pre-qualified before selecting a home to purchase. This way you will be prepared to preview and negotiate your home purchase with confidence.

Reasons To Get Pre-qualified...

- With pre-qualification, you can determine which loan program best fits your needs.
(List of loan programs to follow)
- You will know exactly how much you are qualified for. It's no fun to find your "ideal home" and then find out you can't afford it.
- Your monthly payment can be estimated. This will allow you to outline your budget before making this important investment.
- It allows you to see what the down payment and closing costs will be.
- If you are a first time homebuyer, you may be able to qualify for a special first time homebuyer program, saving money or allowing a larger purchase price.
- Meeting with your lender to preview your financial options prior to shopping for your new home, affords you the opportunity to consider what you really want and need before the emotions of purchasing your home engage.



Pre-Qualification Worksheet

Date: _____ Requesting Agent: _____
Borrower #1: _____ Social Security# _____
Borrower #2: _____ Social Security# _____
Address: _____ City: _____

Gross Monthly Income:

Borrower #1 _____
Borrower #2 _____
Other: _____
Total Income: _____

Monthly Debt:

Car payments: _____
Credit Cards: _____
Alimony: _____
Child Support: _____
Other: _____
Total Debt: _____

Down Payment:

Amount: _____ Source: _____
Credit: _____ Bankruptcy: _____ Judgements: _____

Sales/Purchase Price: _____ Down Payment: _____ Loan Amount: _____

Homeowner's Association: _____ Dues: _____

Loan Program: _____ LTV: _____

Interest Rate: _____ P&I: _____

Margin: _____ Index: _____ Insurance: _____

Caps: _____ PITI: _____

Private Mortgage Insurance: _____

Housing Ratio: _____ Total Debt Ratio: _____

Comments: _____



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Reviewing Your Finances

Lenders will focus on these factors while considering your loan application:

1. Your income
2. Your savings
3. Your debts
4. Your credit history

The above items are analyzed to assess your credit risk and your ability to fulfill your commitment in paying back your loan. You may be able to ensure your lender that you are a good risk by doing the following:

Increase Your Income

- If you're receiving an increase in salary, ask your employer to verify this.
- Convince your employer to increase your monthly salary in exchange for decreasing your incentive or profit sharing, as lenders will weigh salary more heavily than incentive and profit sharing.
- Consider taking a position within your company that may offer you a higher salary.
- If your spouse is unemployed, consider having your spouse find a job.

Increase Your Savings

- Reduce expenses as much as possible.
- Hold off on any major purchases.
- Plan out your monthly budget, but most importantly, stick to it.

Reduce Your Debt

- Pay-down any outstanding loans if they do not have a prepayment penalty attached. Remember that most loan programs require a 3% to 5% down payment and not all loans will have to be paid off.

Build a Good Credit History

- Make all your loan and credit card payments on time.
- Do not bounce any checks.
- File all your local, state, and federal tax forms and pay any applicable taxes on time.
- Correct any credit problems that you may have.



Mortgage Loan Checklist

In order to expedite the mortgage loan process, please be sure that you bring everything you need to make your appointment as smooth and efficient as possible.

- Sales Contract** (On the purchase of your new home)
- Copy of Sale Contract and Certified Copy of Closing Statement** (On the sale of your present home)
- Copy of Driver's License and Social Security Card** (FHA only)
- Residence History**
 - Past 24 months of residence with complete addresses
 - Length of time you lived at each residence
 - Name and Address of Landlord (if currently renting)
- Employment History**
 - Employers for the past two years with complete addresses
 - Dates of employment of each place
 - Two years of W-2s (Most recent)
 - Two years of tax returns with all schedules and signed in blue ink (Most recent)
 - Year-to-date profit and loss statement and current balance sheet (only if self-employed)
 - If there have been any gaps in your employment, be prepared to explain
- Loans and Credit Cards**
 - Creditor's names and addresses
 - Account numbers
 - Current total balances you owe
 - Monthly installments, payments and how many months are left to pay
- Accounts**
 - Name and address of each financial institution
 - Three months of bank statements for all accounts
 - All account numbers
 - All current balances and values
- Current Real Estate**
 - Property addresses
 - Estimated market values
 - Outstanding loan balances
 - Amount of monthly payment
 - Amount of monthly rental income, if applicable
- Personal Property**
 - Net cash value of your life insurance
 - Year, make, and value of your automobiles
 - Value of your furniture and other personal property
- If applicable for the following:**
 - Divorce papers
 - Certificate of eligibility & DD214 (VA Only)
- Check for appraisal and credit report fees**



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Types of Loans

- **Adjustable Rate Mortgage**

Adjustable rate mortgages have an interest rate that is adjusted at certain intervals based on a specific index during the life of the loan.

- **Balloon Payment Loan**

A fixed rate loan that is amortized over 30 years but becomes due and payable at the end of a certain term. May be extended or may roll-over into another type of loan.

- **Buy-Down Loan**

Buy-Down loans are fixed rate loans where the interest rate and the payment are reduced for a specific period of time by passing the interest up front to subsidize the lower payment.

- **Community Home buyer's Program**

A fixed rate loan for first time buyers with a low down payment, usually 3-5%, no cash reserve requirement, and easier qualifying ratios. Subject to borrower meeting income limits and attendance of a four hour training course on home ownership.

- **Conventional Loan**

Conventional loans are sometimes more lenient with the appraisal and condition of the property. When you are buying a "fixer upper" you may need to use a conventional loan.

- **FHA Loan**

FHA loans are insured by the Federal Housing Administration under H.U.D. They offer a low down payment and are easier to qualify for than conventional loans.

- **Fixed Rate Loan**

A fixed rate loan has one interest rate that remains constant throughout the life of the loan.

- **Graduated Payment Mortgage**

A fixed rate loan that has payments starting lower than a standard fixed rate loan, which then increases by a predetermined amount each year for a set amount of years.

- **Mortgage Credit Certificate**

A first time homebuyer program is subject to purchase price and income limits to some areas. It is actually a special tax credit and assists the buyer in qualifying for many loan programs.

- **Non-Qualifying Loan**

Non-Qualifying loans are preexisting loans which can be assumed by a buyer from the seller of a property without going through the qualifying process. The buyer pays the seller for their equity and then starts making payments.

- **VA Loan**

VA loans are guaranteed by the Veterans Administration. A veteran must have served 180 days active service. The maximum VA loan is currently \$203,000 with no down payment.



What Do You Need to Know About Escrow?

What is Escrow?

Escrow is the process by which the interests of all parties in a real estate transaction are protected, ensuring that all conditions of the sale have been met before property and money change hands.

Escrow is an independent depository wherein all funds, instructions, and documents for the purchase of your home are held, including your down payment, your lender's funds, documents for the new loan, hazard and title insurance, inspection reports, and the grant deed from the seller. At the close of escrow, the "Escrow Holder" delivers these items to the appropriate parties, disburses the funds, and handles the associated paperwork.

What Does an Escrow Holder Do?

The Escrow Holder is a neutral third party, such as Chicago Title, that maintains the escrow account and impartially, oversees the escrow process making sure all conditions of the sale are properly met.

The Escrow Holder's duties include:

- Serving as the neutral agent and the liaison between all parties involved.
- Requesting a preliminary title search to determine the status of title to the property.
- Requesting a beneficiary statement if debt or obligations are to be taken over by the buyer.
- Requesting a payoff demand from beneficiaries when the seller is paying off debts.
- Complying with the lender's requirements as specified in their instructions to escrow.
- Securing releases of all contingencies or other conditions imposed on the escrow.
- Preparing or securing the deed and other documents related to escrow.
- Prorating taxes, interest, insurance, and rents.
- Preparing escrow instructions.
- Receiving purchase funds from the buyer.
- Receiving loan funds from buyer's lender.
- Closing the escrow pursuant to instructions supplied by the seller, buyer and lender.
- Recording the deed and any other documents.
- Disbursing funds as authorized by the instruction including charges for title insurance, recording fees, real estate commissions and loan payoffs.
- Preparing final statements for all parties involved that account for the disposition of all funds held in the escrow account.
- Requesting the title insurance policy.



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The Escrow Process

Your escrow is created shortly after you execute the purchase agreement to sell your home. It cannot be successfully completed until all escrow instructions have been carried out and all parties have signed escrow documents. The length of escrow can range from a few days to several months, depending on the terms of the purchase agreement. On average, an escrow closes within 45 days.

Opening the Escrow

Either your real estate agent or the other agent may open the escrow depending on the county. As soon as you execute the sales agreement, your agent will place the initial deposit into an escrow account. At the opening of escrow, you may be asked to provide identification information such as your birth date and social security number. This information remains confidential.

The Loan Process

Unless you, the buyer are paying all cash, the next step will be for you to select a lender and apply for a mortgage loan. Your real estate agent will keep escrow and the other agent informed of your loan progress. The loan(s) on the owner's property will be paid off at the close of escrow, unless you take over their existing loan(s). When your loan is approved, the loan documents will be sent to your Escrow Officer, where he/she will then prepare your escrow instructions and arrange for your signing.

The Closing Process (signing escrow instructions)

Your Escrow Officer or Real Estate Agent will contact you to make an appointment to sign your escrow instructions. At this time, the Escrow Officer will inform you of the amount of money you may need to bring in. At your appointment, is important that you bring either your valid drivers license or passport so that signatures can be notarized.



What Do You Need to Know About Escrow? (con't)

After the Sign-off

After you have signed your escrow instructions and loan documents, your Escrow Officer will return them to your lender for a final review. The review usually occurs within a few days, after which the lender advises the Escrow Officer that they are ready to fund the loan. If all the conditions of the escrow have been satisfied, your Escrow Officer will inform you of the day escrow will close and will take care of the technical and financial details.

The Close of Escrow

Close of escrow signifies legal transfer of title and occurs when the grant deed and the deed of trust are recorded with the County Recorder. Recording usually occurs within one working day after loan funds are received in escrow.

Proceeds

Your Escrow Officer will prepare a final settlement and order your title policy. A check for the proceeds of the sale will be issued to the sellers once the sale is completed, documents are recorded and the escrow is closed.

After the Close

Congratulations, you now own your dream home. Your realtor will be giving you the keys so you can move in.



What is Title Insurance and Why Do You Need It?

The deed to your new home is not enough to ensure clear title; it is merely an instrument whereby the seller transfers right of ownership to you. It doesn't prove that the person described as the seller is actually the clear owner, and it does not eliminate claims or rights that others may have in the property. You cannot determine from the deed what rights, liens, or claims may be outstanding against your title.

You should be protected against any undiscovered claims that may arise in the future to threaten your title. A title insurance policy from Chicago Title Insurance Company provides this twofold protection in accordance with your instructions and within the parameters of the policy.

Although your mortgage lender will most likely have a title insurance policy for your loan with them, it only protects the lender's interest in the property, not your investment, and it decreases as the mortgage is paid off. You need owner's title insurance to protect your ownership for the full amount you paid for the property.

How Does it Work?

Chicago Title conducts a thorough search and evaluation of the Public Records, looking for situations that may cloud the title to your new home, such as:

- Are all taxes and special assessments paid?
- Does anyone have special rights to the property that would limit your ownership?
- Has the death of a former owner or the filing of a will affected title to the property?
- Are there undisclosed heirs or spouses of the seller?
- Are there any lawsuits or claims recorded against the property itself, or suits or judgements filed against the seller?



What is Title Insurance and Why Do You Need It? (con't)

What about hidden risks?

Claims that cannot be discovered by examination of the Public Records are called "hidden risks" which could arise long after you've purchased the property.

Here are just a few of the most common hidden risks that can cause a loss of title or create an encumbrance on title:

- False impersonation of the true owner of the property.
- Forged deeds, releases or wills.
- Undisclosed or missing heirs.
- Instruments executed under invalid or expired power of attorney.
- Misinterpretations of wills.
- Deeds by persons of unsound mind.
- Deeds by minors.
- Deeds by persons supposedly single, but in fact married.
- Liens for unpaid estate, inheritance, income or gift taxes.
- Fraud.

What about premiums?

Unlike most forms of insurance, you would only pay for a Chicago Title Insurance policy only once, and this relatively modest charge insures your title for as long as you or your heirs own the property.

Title Insurance:

By obtaining a Chicago Title Insurance Company title policy, you are backed by the strength and security of the nation's largest title insurer.



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The Buying Process



