



Title Insurance Frequently Asked Questions



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The Tri-COG Land Bank strongly recommends that you obtain title insurance when purchasing a property from the Land Bank. Below is some important information about title insurance.*

1. What is Title Insurance?

Title insurance offers protection for what is often a person's most important—and most expensive—investment: real estate. Specifically, title insurance protects buyers from potential financial losses which may arise in the process of purchasing, or owning, real estate.

2. How Does Title Insurance Work?

Title insurance is issued by a title company. Prior to the issuance of the insurance policy, the title company will examine the property's history to determine any title defects. Title defects are any potential trouble spots that could damage the value or transferability of a property, such as:

- Adverse ownership claims;
- Outstanding liens against the property;
- Unpaid taxes or assessments;
- Property damage unknown to the buyer at the time of the purchase;
- Forgeries, fraud or errors in the chain of title; and
- Easements or other right-of-ways that could restrict the buyer's use of the property.

3. What are the Benefits of Purchasing Title Insurance for a TCLB-Owned Property?

One of the many benefits to purchasing a property from the Tri-COG Land Bank is that the Land Bank has already taken the preliminary steps to ensure that it can provide purchasers with clean, insurable title. Whenever the Land Bank acquires a property, one of its first steps is to consult with a title company to identify any possible title defects. The Land Bank then obtains a court order recognizing the Land Bank as the sole and rightful owner of the property. Accordingly, a purchaser of a Land Bank-owned property can rest assured knowing that the Land Bank has already identified and preliminarily addressed any title defects. This may also save the buyer money when purchasing title insurance.

4. What are the Benefits of Purchasing Title Insurance?

PEACE OF MIND

The largest benefit offered by title insurance is continued peace of mind. An examination of a property's history is extensive, but not perfect. If a title defect is later unearthed, it could be expensive and time consuming to correct – all at the property owner's expense. Title insurance removes the risk of personal liability. If a covered title dispute arises, the title company will not only satisfy any claim made against the property owner's title, but will also cover the costs and legal expenses of defending against the claim.

EASIER CLOSING PROCESS

Another major benefit to purchasing title insurance is that the title company will help simplify the real estate closing process. Title companies act as closing agents for real estate transactions. As the closing agent, the title company will handle much of the work that would otherwise fall on the buyer, such as obtaining the necessary tax certifications/no-lien letters, signatures, recording the deed, and even holding money in escrow for the parties if necessary.

*Disclaimer: Every sale of a Tri-COG Land Bank owned property is going to be different. Each title insurance policy will be subject to specific terms, conditions and exclusions. The Land Bank does not guarantee any particular result and the information contained herein should not be relied upon in making the decision to purchase a Tri-COG Land Bank owned property or to purchase title insurance. You should consult with a real estate professional or legal counsel if you have any questions.