

New Homes Why Need Title Protection

Title insurance is necessary on a newly constructed home even though the home itself has no title history. Because your new home was built on unimproved land, there may have been many prior owners of the property and with those prior ownerships comes the uncertainty of a clear chain of title. Additionally, obligations to contractors who worked on the home construction may be outstanding, jeopardizing clear title to the property.

Unlike home insurance and car insurance, which focus on possible future hazards, title insurance is a safeguard against loss from hazards and defects already existing in the past. A First American Title Owner's Policy offers the best protection from risk exposure associated with the purchase of a new home.

If you financed your new home, your lender most probably required that a Loan Policy of title insurance be purchased; however, a Loan Policy only protects the lender. An Owner's Policy of title insurance fully protects you, the homeowner, from problems that were not uncovered during a title search, and pays for any legal fees involved in defending a claim against your title to the property. For a one-time premium fee, an Owner's Policy provides this coverage for as long as you or your heirs own the home.

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