

Why You Need Title Insurance On a Refinance



Take the final steps
toward better financing and ongoing title protection by learning what
you need to know about title insurance for a refinance.

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Fidelity National Title
Insurance Company

When interest rates drop enough to offer substantial savings on your loan costs, it's natural to think about refinancing. But homeowners, who purchased lender's title insurance policies when they bought their home, are often puzzled why their lender requires a new title policy on the refinance. Here are answers to homeowners most common questions about title insurance for refinanced loans.

Why Do I Need a New Lender's Policy When I Already Have One?

The original lender's title insurance policy protects the lender's interest on the original loan. With the new refinanced loan, the original loan will be paid off, and the lender will require protection of its interest for the new loan. In addition, if the loan is sold in the secondary market, investors like Fannie Mae will require the security of title insurance on the property.

The good news is that title companies offer discounts or a short-term rate on lender's policies for refinance. If your refinanced loan is with the same lender as your original loan, your lender may provide additional discounts. Your title company will be happy to point out ways you can save on your refinanced loan.

Didn't the Original Title Search Uncover and Resolve Ownership Issues?

The lender needs the title examined again to make sure that no liens or judgments, such as liens filed by contractors, child support liens or other legal judgments, have been recorded against you. Confirming the absence of these and other title defects protects the lender's security interest in your property.

Do I Also Need to Get a New Homeowner's Title Policy?

You'll be glad to know that your original homeowner's title insurance policy protects your ownership rights for as long as you and your heirs own your property. So there's no need to get another owner's policy on a refinanced loan.

If you didn't get a homeowner's title policy on your original loan, but now want the protection title insurance gives you, Fidelity National Title can issue a homeowner's title policy for you.

10 Reasons Why You Need Title Insurance

1. Title defects are discovered by our search and examination professionals in more than 36% of all real estate transactions.
2. Title insurance covers attorneys' fees and court costs for defending your title.
3. Title insurance helps speed negotiations when you're ready to sell or obtain a loan.
4. Title insurance reimburses you for the



amount of your covered losses.

5. Each title insurance policy we write is paid in full by the one-time premium at closing for as long as you and your heirs own the property.
6. A deed or mortgage in the chain of title may be a forgery or signed by a person under age.
7. A deed or mortgage may have been made by a person other than the owner, but with the same name as the owner.
8. A deed or mortgage may have been procured by fraud or duress.
9. Title transferred by an heir may be subject to a federal estate tax lien, or an heir or other person presumed dead may appear and recover the property or an interest.
10. Claims constantly arise due to marital status and validity of divorces. Only a title insurance policy protects against claims made by non-existent or divorced "spouses."

GET THE COMPLETE TITLE INSURANCE EXPERTISE YOU NEED ON YOUR REFINANCE WITH FIDELITY NATIONAL TITLE INSURANCE COMPANY'S FOUR PILLARS OF PROTECTION:

Service

The experience and dedication of our full-service, nationwide network of professionals assure you of an expert title search and examination and an accurate, timely closing.

Security

We're leaders in combating mortgage fraud to help protect you against those who misrepresent themselves or the property or who attempt identity theft.

Technology

We hold the industry's largest collection of real estate-related data, documentation and public record information. Using comprehensive, intuitive technology tools and rapid communications, our professionals can quickly and securely search and clear property titles.

Trust

Home buyers trust our passionate commitment to helping consumers understand the steps, fees and requirements of real estate transactions. Our open process and availability to answer all your questions provide the clarity you need about what is often your largest and most valuable purchase.