

## LINCOLN LOST HIS HOME TWICE BECAUSE OF TITLE DEFECTS

Losing a home is a cruel thing, but life can be cruel, even to those destined for greatness.

Abraham Lincoln was born in a meager, one-room cabin on the Big South Fork of Nolin's Creek near Hodgenville, Kentucky. It had a dirt floor, one window, and a stick-clay chimney. Lincoln's father,



Tom, had paid \$200 for the cabin and 300 acres of unproductive land. It wasn't much, but it was home and the young family's only chance for a decent life.

After four years of fighting mosquitoes, heat, and hardscrabble land, the Lincolns had to pack up and leave. There was a defect in the title. They didn't have the right sort of papers and somebody else had a better claim to the land. With three-year-old Abe in his mother's arms, the family moved eight miles away to Knob Creek.

In less than four years, Tom Lincoln had to go to court to prove his ownership rights to this second farm. Another claimant to the land sued him as a "trespasser." Tom Lincoln won the suit, but was haunted by the fear that he might someday lose another property.

There was enough talk of land titles, landowners, landlords, land laws, land lawyers, and land sharks to make him unsure of his title. After all, Daniel Boone, the first pioneer of the Kentucky wilderness, had lost every inch of his once vast landholdings because he had "the wrong kind of papers." Tom decided to move

his family to Indiana where there was rich, black land, government land with clear title and the right kind of papers. Thus, Abraham Lincoln lost a second home to title problems.



It was the anxiety and outright losses of the Lincolns and other hardworking Americans that gave rise to today's title insurance industry. The first land title insurance company was founded in Philadelphia in 1876. Just a few years later, in 1889, a second title insurance company was established to also protect buyers against the hidden hazards of real estate ownership; forgeries; faulty surveys; hidden liens; conveyances by a minor or mentally incompetent person; the false representation of a married person as being single; and many other title defects. Even the most complete search of records may not reveal them all.

Today, title insurance is just as important as ever. The same potential flaws in title exist. A home is still the largest purchase most of us make in our lifetime. And, with escalating land values, the loss of property can still bring a family to ruin. Consequently, both buyer and seller should insist on the stability and reliability they receive through title insurance coverage.

The unfortunate loss of the Lincoln family would have been covered by insurance had Tom Lincoln owned a title policy.

## ABRAHAM LINCOLN FACTS

Presidential Number: 16th  
Years he was President: 1861-1865  
State Represented: Illinois  
Party Affiliation: Republican  
Fact(s): He had to struggle for a living.  
Lincoln's mom died when he was 9.

### Personal

Birthday: February 12, 1809  
How old would he be this year? 200  
Education: High School  
Wife: Mary Lincoln  
Occupation(s) before he was President:  
Store clerk, rail-splitter, lawyer  
Height: 6 feet 4 inches, tallest president  
Favorite Foods: Fruit salad, cheese  
Hobbies or Sports: Walking, wrestling  
Pets: Horse

### Life in America

How he traveled? Horse & carriage, train  
How he communicated with his friends?  
Letter, telegram  
Population: 31,443,321  
Stars on flag when he left office: 36

## What is Title Insurance?

### What is Title?

In real estate, title means a Right to Ownership, or a document stating a Right to Ownership.

### Title Hazards

Various kinds of claims can "cloud" a title, such as:

- Relatives or heirs with superseding claims
- Fraud or Misrepresentation
- Liens
- Easements
- IRS claims

### Keeping it Safe

The best way to protect your interest in a real estate transaction is obtaining Title Insurance.

### What will the Title Insurance Company do for me?

Trained personnel will perform a title search to verify ownership and to identify any possible "clouds" on title. The result will show if the seller has the right to sell, shown by ownership, and indicate any problems; i.e. liens, etc., that need to be resolved or acknowledged by the buyer before transfer.

### Title Insurance

Next, the title insurance company will insure the new owner against the possibility of error or forgery in the transfer of title. This is the transfer of title. This insurance is in effect for the duration of ownership.



### Title insurance is paid one time; Two separate policies are issued.

Owners Policy – Protects the new owner in any subsequent claims to the property.

Lenders Policy – Protects the lender against loss of unpaid loan balance in the event of a claim.

## 10 Most Common Reasons Documents are Rejected!

Preliminary Change of Ownership Report form is missing

Incomplete PCOR, e.g. purchase amount

Notary seal is not legible (Penalty of Perjury Form)

Transfer Tax: Use "No Consideration" do not leave blank or use "0" or "None"

If executed by a company, signature needs company name

Missing Exhibits-Be sure all exhibits are attached

If executed by a Trustee, must include the word "Trustee"

Address is not included in "Mail tax statement to..."area

Transfer tax is incorrect

City or "Unincorporated area" is missing on deed

## Your Protection . . .

**You buy a home.** years ago, a deed was Everything is signed, forged on the property sealed and delivered. you just bought?

At long last, it's What if there are all yours – unpaid taxes? land, house, lawn, trees and mortgage. What if there is an error in public records?

Time to celebrate! What if a previously unknown heir of a former owner emerges?

**Maybe.** What if, many

**Maybe not.** What if, many



. . . Title Insurance is the answer !