



## HOW CAN YOU TAKE TITLE ?

Title to real property may be held by individuals, either in Sole Ownership or in Co-Ownership. Co-Ownership of real property occurs when title is held by two or more persons. There are also several variations as to how title may be held in each type of ownership.

**Sole Ownership  
An Unmarried Man/Woman**

**A Married Man/Woman, As His/Her Sole and  
Separate Property**

**Community Property**

**Joint Tenancy**

**Tenancy In Common**

**Trust**

**Community Property with Right Of Survivorship**

For your primary residence and other rental or vacation property you own, some choices may or may not be available in every state. Other ways of holding title may be variations of the above and can also be beneficial. There are significant tax and legal consequences on how you hold title. For a more comprehensive understanding, appropriate consultation is recommended. We strongly suggest contacting an attorney and/or CPA for specific advice on how you should actually vest your title.

See next month for a full explanation of all vesting possibilities.



## What Types of Title Policies are Available?

Title companies routinely issue two types of policies.

An "owner's" policy which insures the homebuyer for as long as he/she and his/her heirs own the home; and a "lender's" policy which insures the priority of the lender's security interest over the claims that others may have in the property.



## Review Initial Title Report

In many areas, a few days or weeks before the settlement or closing of the escrow, the title insurance company will issue a 'Commitment to Insure' or 'preliminary title report' or 'binder' containing a summary of any defects in title which have been identified by the title search, as well as exceptions from the title insurance policy's coverage. The commitment is usually sent to the lender for use until the title insurance policy is issued at or after the settlement or closing. You can arrange to have a copy sent to you so that you can object if there are any matters affecting your transaction.

## WHY IS TITLE INSURANCE NECESSARY?

The answer is simple! The purchase of a home is most likely one of the most expensive and important purchases ever made. The buyer and the mortgage lender want to make sure the property is indeed the buyers – lock, stock and barrel – and that no individual or government entity has any right, lien, claim or encumbrance to your property. It's kind of "You shouldn't buy a home without it", that's even if you are fortunate enough to be able to pay cash.

