



## Title Insurance: What You Should Know ®

(NAPSA)—Here are some facts and fallacies about title insurance that will surprise many homebuyers.

**Myth:** Title-related charges make up a substantial portion of closing costs and are a major obstacle for buyers of moderately priced homes.

**Reality:** Title insurance and other title-related charges make up a modest percentage of total closing costs when compared to lender and realty agent fees.

**Myth:** Lender's title insurance protects the homebuyer.

**Reality:** The interests of the lender and owner are often substantially different. The lender's policy is written in the amount of the loan. If there were a total failure of title, the lender would be covered for the full amount of its investment—while the buyer would have no coverage at all.

Owner's title insurance will protect the purchaser if a claim is made against the title. Owner's title insurance will also pay any legal fees in defending the claim.

**Myth:** High on the list of title insurance myths is one that says title insurance losses are low.

**Reality:** The reality is quite different. In 2002 and 2003, title insurers paid \$582 million and \$661 million in claims, respectively.

To learn more, visit the American Land Title Association Web site at [www.alta.org](http://www.alta.org).