



## WHY NEW HOMES 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. An Owner's Policy of title insurance from Providence Title offers the best protection from the following types of risk exposure associated with the purchase of a new home:

- Transfer of title from the previous landowner to the builder was done improperly
- Mechanics liens filed by contractors or subcontractors
- Existing liens not uncovered in a search of the title
- Unpaid tax assessments
- Bankruptcy proceedings affecting the development
- Delinquent payments on the builder's subdivision loan balance

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.

You can count on the professionals at Providence Title to work diligently to help uncover and address title issues prior to closing. An Owner's Policy from Providence Title provides the best protection and ensures peace of mind for our customers.