

# LENDER'S TITLE INSURANCE

If you are obtaining a loan in connection with the purchase of a property, or if you are refinancing a loan on your property, the lender will require a lender's title insurance policy. This policy insures that the mortgage lien is valid and enforceable and that the new mortgage lien has priority over other liens or claims.

## 2006 ALTA Standard Coverage Loan Policy

With this policy, First American Title insures the lender, based upon a search of the public records only, against:

- » Title being vested other than as shown in the policy.
- » Any defect in or lien/encumbrance on the title which the lender was unaware of or which are not shown as an exception from coverage.
- » No right of access to and from the property.
- » Unmarketable title
- » The invalidity or unenforceability of the lien of the insured mortgage.
- » Plus nine additional affirmatively stated covered risks.

Certain local or regional exceptions will apply to any title policy. Review your Commitment for Title Insurance or Preliminary Report for specific exceptions to the policy.

## 2006 ALTA Extended Coverage Loan Policy

Most institutional lenders will require this level of coverage.

With this policy, First American Title affords the purchaser the same assurances as the Standard Coverage Loan Policy above; however, this coverage also protects against both matters which are shown by the public records and certain matters which are not shown by the public records. Additional coverage, or endorsements, may be purchased as well.

## First American Eagle Loan Policy (ALTA Expanded Coverage Residential Loan Policy)

With this policy, First American Title affords the lender on residential real property much of the same coverage as the Extended Coverage Loan Policy, but adds additional coverage, including protection against certain post-policy risks such as forgery and encroachment. Also, certain endorsements are automatically provided.

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As with any insurance contract, the insuring provisions express the coverage afforded by the title insurance policy and there are exceptions, exclusions and conditions to coverage that limit or narrow the coverage afforded by the policy. Also, some coverage may not be available in a particular area or transaction due to legal, regulatory, or underwriting considerations. Please contact a First American representative for further information. The services described above are typical basic services. The services provided to you may be different due to the specifics of your transaction or the location of the real property involved.

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First American Title™

# EXPLANATION OF POLICIES

A Summary of Title Policies & Coverage



# WHAT IS AN OWNER'S POLICY OF TITLE INSURANCE?

As a buyer, you are likely unfamiliar with the history of the property that you are purchasing.

**An Owner's Title Policy is designed to protect against title flaws that could jeopardize your ownership.**

**Without a title insurance policy, you are at risk of losing your home or incurring expenses to defend your ownership.** This policy will afford you protection in satisfying valid claims against the title and defraying the expenses that could be incurred in defending such claims.

These protections will be achieved as a result of a proper search and examination of the public records and in some instances, an examination of additional items such as a survey. The search is conducted prior to closing the transaction. The buyer, seller and new lender (if applicable) will receive a Preliminary Report or Commitment for Title Insurance which shows how the property will be insured.

Title policies have various levels of coverage. On the page to the right you will find a list of the most common types of policies and a description of the coverage.

## TYPES OF OWNERS POLICIES

### **2006 ALTA Standard Coverage Owner's Policy**

With this policy, First American Title insures the purchaser, based upon a search of the public records only, against:

- » Title being vested other than as shown in the policy
- » A defect in or lien/encumbrance on the title
- » Unmarketable Title
- » No right of access to and from the land
- » Certain violations of laws, ordinances, permits, or governmental regulations (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to the use of the land to the extent a notice of the violation appears in the public records
- » Plus five additional affirmatively stated covered risks dealing with governmental powers, bankruptcy, and creditors' rights and searching gaps

Certain local or regional exceptions will apply to any title policy. Review your Commitment for Title Insurance or Preliminary Report for specific exceptions to the policy.

### **2006 ALTA Extended Coverage Owner's Policy**

With this policy, First American Title affords the purchaser the same assurances as Standard Coverage Owner's Policy above; however, this coverage also protects against both matters which are shown by the public records and certain matters which are not disclosed by the public records.

(Among other requirements, an ALTA survey may be required when this policy is issued.)

### **First American Eagle Owner's Policy (ALTA Homeowner's Policy of Title Insurance)**

With this policy, First American Title provides the purchaser of residential real property more coverage than what is offered in the ALTA Extended Coverage Owner's Policy by including protection against certain post-policy risks such as forgery and encroachment. Further, in order to provide the home owner with protection for the increased value of their home, the amount of insurance is increased 10% each of the first five years of the policy.