



From the desk of Elizabeth Jones, Esq.

TEN COMMON TITLE PROBLEMS

Have you ever wondered why you need title insurance? Your home may be new to you, but every property has a history. A title search can help uncover title defects tied to your property. And, subject to the terms of the policy, your title insurance may provide you with protection from title problems discovered after you close your transaction. Some of these common title issues are:

1. Errors in public records

To err is human, but when it affects your homeownership rights, those mistakes can be devastating. Clerical or filing errors could affect the deed or survey of your property and cause undo financial strain in order to resolve them.

2. Unknown liens

Prior owners of your property may not have been meticulous bookkeepers — or bill payers. And even though the former debt is not your own, banks or other financing companies can place liens on your property for unpaid debts even after you have closed on the sale. This is an especially worrisome issue with distressed properties.

3. Illegal deeds

While the chain of title on your property may appear perfectly sound, it's possible that a prior deed was made by an undocumented immigrant, a minor, a person of unsound mind, or one who is reported single but in actuality married. These instances may affect the enforceability of prior deeds, affecting prior (and possibly present) ownership.

4. Missing heirs

When a person dies, the ownership of his home may fall to his heirs, or those named within his will. However, those heirs are sometimes missing or unknown at the time of death. Other times, family members may contest the will for their own property rights. These scenarios — which can happen long after you have purchased the property — could affect your rights to the property.

5. Forgeries

Unfortunately, we don't live in a completely honest world. Sometimes forged or fabricated documents that affect property ownership are filed within public records, obscuring the rightful ownership of the property. Once these forgeries come to light, your rights to your home may be in jeopardy.

6. Undiscovered encumbrances

When it comes to owning a home, there can be a crowd. At the time of purchase, you may not know that a third party holds a claim to all or part of your property — due to a former mortgage or lien, or non-financial claims, like restrictions or covenants limiting the use of your property.

7. Unknown easements

You may own your new home and its surrounding land, but an unknown easement may prohibit you from using it as you'd like, or could allow government agencies, businesses, or other parties to access all or portions of your property. While usually non-financial issues, easements can still affect your right to enjoy your property.

8. Boundary/survey disputes

You may have seen several surveys of your property prior to purchasing, however, other surveys may exist that show differing boundaries. Therefore, a neighbor or other party may be able to claim ownership to a portion of your property.

9. Undiscovered will

When a property owner dies with no apparent will or heir, the state may sell his or her assets, including the home. When you purchase such a home, you assume your rights as owner. However, even years later, the deceased owner's will may come to light and your rights to the property may be seriously jeopardized.

10. False impersonation of previous owner

Common and similar names can make it possible to falsely "impersonate" a property owner. If you purchase a home that was once sold by a false owner, you can risk losing your legal claim to the property.

Play it Safe

These and other issues are often covered by an owner's policy of title insurance. When you buy a home, make sure you're protecting that investment with title insurance.