



# The Inside View

## The Role of Title Insurance in a Real Estate Transaction

This 3 clock hour course is designed to give real estate agents an overview of title insurance. In most real estate transactions, today, a title policy is purchased to assure the buyer that he or she is getting all the rights to the property for which they are paying and that the seller has the right to sell the property.

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## The Role of Title Insurance in a Real Estate Transaction

### Curriculum

<b>Session Hours</b>	<b>Major Topics</b>	<b>Method of Presentation</b>
1 1/2 hours	What is Title Insurance	Lecture Discussion
2 1 hour	Structure of Title Insurance Companies	Lecture Discussion
3 1 hour	Title Insurance Coverage Ordering Title Insurance Reading the Preliminary Commitment	Lecture Discussion
4 1/2 hours	Ownership Information	Lecture Discussion

# The Inside View

## The Role of Title Insurance in a Real Estate Transaction

This 3 clock hour course is designed to give real estate agents an overview of title insurance. In most real estate transactions, today, a title policy is purchased to assure the buyer that he or she is getting all the rights to the property for which they are paying and that the seller has the right to sell the property.

Consumers traditionally have a limited view of the role of title insurance. Real estate agents deal with title insurance every time they fill out a standard purchase & sale agreement. Each time a property is listed, it is important to get the information regarding the last deed. A sale cannot close if there is not “marketable title” as evidenced in preliminary title reports.

Real estate agents need to have a better working knowledge of this aspect of the business to avoid the chance of misrepresenting this critical step in the closing process. The class will provide practical tips and insights to help real estate agents and lenders utilize title insurance properly so as to reduce risks to their clients and ensure that the transactions close without delay.

The class will also give the real estate agent an inside view of a title insurance company and learn about title insurance plants where the records are kept. The agent will have the opportunity to learn where the information they need originates, get to meet an examiner, and get an overview of the customer service department.

### Course Objectives

As a result of taking this class the agent shall be able to:

- Explain what a title policy insures.
- Understand the complexity of the actual search and examination process and estimate time requirements.
- Know the specialized terminology required to order preliminary title and other documents properly.
- Know the components of a title report and be able to spot most problems that could lead to a delay in closing.
- Describe the difference between various kinds of coverage.
- Be aware that additional coverage in the form of “endorsements” is often available at little or no charge.

# What is Title Insurance?

When buyers purchase a television, they do not need to know whether the former owner is married, single or divorced. Buyers may buy a share of stock without being concerned if the seller has a tax obligation. Buyers can purchase a car without worrying about whether there are any suits against the person who owned it.



But, when you take title to a house, condominium, other building or vacant land it is vital to know all these things. Think about why buyers must have a complete investigation of the ownership history of a property. Why not just buy a house on Craigslist.com and sign a check to pay for it?

The most accurate description of title is a “bundle of rights in real property”. Real estate has such great value and is so basic a form of wealth that many special laws have been enacted for its protection. Laws are so strict and far-reaching that real estate is more strongly safeguarded than any other form of property.

Each parcel of real property is unique. It can not be recreated like a car or other piece of personal property. It is due to this uniqueness that the laws surrounding the disposition of real property have evolved. The owner of real property has exceedingly strong rights...so do the family and heirs of the owner. But, others may have rights in the property as well:

- Lenders with a security interest in the real property.
- Contractor who provided labor to build a fence.
- Tenants who have possession and leasehold rights.
- Neighbor who accesses his home by driving across the yard may have easement rights.
- Timber company that reserved the rights to minerals that may be discovered.
- Prior heirs to the property.
- Spouses due to Community Property Laws
- Government because of tax liens or eminent domain.
- There can be rights to the air space above the property.

Consider, for example, the Monopoly game. If I own Boardwalk I can sell it to you for \$500. I can sell it to others for \$400 or \$600. All that you have in your hand is a card that says “Boardwalk.” So what did you buy? There are others that have interest in that property. The bank might have a mortgage (lien), a family might have a rental/lease agreement, the neighbors might have an easement for kids to get to school, the last owner might have had a wife that was not disclosed, the government might have a tax lien, and/or there might be a contractor that built an addition who placed a mechanics lien.

TITLE DEED BOARDWALK	
RENT	\$50.
With 1 House	\$ 200.
With 2 Houses	600.
With 3 Houses	1400.
With 4 Houses	1700.
With HOTEL	\$2000.
Mortgage Value	\$200.
Houses cost	\$200. each
Hotels,	\$200. plus 4 houses
<small>If a player owns ALL the Lots of any Color-Group, the rent is Doubled on Unimproved Lots in that group. © 1988 HASBRO BROTHERS</small>	

Title is the evidence of the rights of ownership in real property. What is the buyer actually buying?

## Historical Background

In the early days of the country, land was mostly used for agricultural purposes. It was held in families so that transfers of ownership were predominantly from generation to generation. When a transfer or sale occurred the lawyers would go to the courthouse and make a formal check of the records. They would then check the tax records with the tax collector.

As the nation grew to the west, land speculation became feverish and the land transactions became more numerous and more complicated. Offices were opened near the courthouses that had copies of all records made at the recorders office and the tax records. All the entries were made in “abstract books” according to the property they referred to. When a lot was sold the contract of sale would call for the seller to furnish the buyer with an “abstract of title”, which was a history of the title of the land in an abbreviated form.

Over time, as “hidden risks” or defects came to light, the abstractor had an in-house attorney examine the title to render his opinion. Then the abstractor would issue an insurance policy telling the purchaser that he was acquiring good title to the property.

## **How is title insurance structured differently from, for example, car and fire insurance?**

With car insurance you pay a premium for a given period of time which could be six months or a year. Your premium paid usually in advance, will cover problems that occur during that period of time. That may include problems (accidents) you may have been involved in. It covers damage to the car and the passengers. Car insurance does not insure ownership of the car or the title. The premium is paid for each term of coverage and covers problems that occur during that following term which could be year. Those problems do not include any problems with the sale or ownership of the car.

Homeowners fire insurance is paid usually annually to cover losses should there be a fire or damage to the property usually due to an unforeseen catastrophe. That insurance is paid for coverage for the upcoming year. It is often required by lenders as they have an interest in the property and if it were to be destroyed, the house as collateral would no longer be there as security for the loan. This insurance does not cover any issue regarding ownership.

With title insurance, you pay a premium at the time you purchase the property. It is for coverage primarily related to ownership issues until you sell and transfer ownership. So the term is indefinite. The Title Insurance covers primarily problems that occurred before you bought the property. Those problems can surface or become an issue in the future. The premium is paid when you purchase and it covers primarily problems from the past.

When a property sells typically the seller pays for a title insurance policy for the buyer to make sure clear ownership is transferred. The buyer usually pays for the title insurance coverage for the lender that is carrying the mortgage.

### **How do you transfer ownership?**

Ownership to a car passes with a title. The piece of paper that is signed and goes from seller to buyer. A car is registered in the state with you as the owner. When you purchase a house, the title or ownership passes with a “deed.” A deed is a conveyance instrument which passes the ownership rights held by the grantor to the grantee. A deed transfers the sellers right of ownership.

### **The Difference Between a Deed and a Title**

A “deed” is merely an instrument whereby a seller transfers his or her right of ownership, whatever it may be, to the buyers. I can give you a deed with my signature for Mercer Island, but the deed would give no title whatsoever. It would merely give the grantee, you, the right to sue me for the land...a right that may be quite empty. A deed is no proof that the person described as the seller or grantor is actually the owner. It does not do away with claims or rights others may have in the property. From the deed, you cannot determine what rights, liens or claims may be outstanding against the title. The title is the proof of ownership of a car. It is registered in the state.

### **Who Buys Title Insurance?**

Today, most transactions include title insurance. The one-time premium is paid at the closing of the transaction. As a matter of local custom, the seller pays for the new owner's policy and the buyers pay for the lender's policy. If the buyer wants extended coverage, they generally pay the extra fees which may include a survey.

Title insurance coverage is in force as long as the owner or the heirs are in title. The coverage is for matters of title that occurred prior to the owner acquiring title but, which may not surface until after the acquisition. Title problems originating after the owner is in title are not covered. Title insurance policies are dated and timed the same time as the insured document is recorded, whether a deed or deed of trust. The policy covers only matters occurring prior to this effective date and time.

### **Protected by laws**

Title insurance companies fall under the Real Estate Settlement and Procedures Act, a Federal Law. Washington State title insurance coverage is overseen by the Office of the Insurance Commissioner. There are laws in our state that govern the title insurance companies.

### **ALTA**

The American Land Title Association (A.L.T.A.) is a national trade association. It provides national standards of uniformity for title policies and endorsement forms. It promotes professional standards and ethics. Note that over the years "A.L.T.A. policy has become a misnomer for an Extended Coverage Loan Policy. This arose from the national standardization of the extended coverage policy accepted by lenders. Prior to this time, many forms were issued by state title association, such as Washington Land Title Association.

Remember, A.L.T.A. policies can be issued in both standard and extended forms, for both owners' and loan policies. When ordering title insurance, specify standard or extended coverage.

# Structure of Title Insurance Companies

## **Title Plants**

Title insurance companies insure title in the counties in which they are located. Most companies have “title plants” which are a company’s own set of title records so they don’t have to search the files at the county recorder’s office. The title plants can be located in the main office or even in a different county. Property records are kept in books, maps microfiche. Most often as we enter the digital age, records are kept digitally and online. Title companies share records and title plants. Title companies obtain information on past sales and county records.

## **Examiners and title officers**

The role of the Examiner and the title officers are to review the title records and determine if the company will provide a title insurance commitment on that property.

## **Customer Service**

Because of the extensive records title companies possess, they provide a service to the real estate industry by providing copies of records prior to the transfer of property. In so doing, they often prevent many defects from appearing at the time of closing. The information provided prior to listing can help. In addition, information on property ownership to be used for marketing is available. Often they are required to charge a minimal fee to cover the costs.

## **Account Executives**

The link between the title companies and the real estate community, including agents, lenders, builders, escrow and attorneys is provided by the account or marketing executives that represent the companies. They provide information and education on the industry and connect customers with their service department.

## **Regulation**

The Insurance Commissioner in Olympia regulates the title insurance companies in Washington State. They have to follow strict guidelines for everything from the rates they charge to how much they spend on advertising. They are also under the RESPA Real Estate Settlement and Procedures Act.

# Title Insurance Coverage

## Title Search

### **Chain of title**

The “chain of title” is simply a history of the ownership and the transfer of ownership of a particular piece of property. It is the continuous record of ownership. An abstract is a condensed history of those records.

### **Tax Search**

This is a search to determine the present status of general real estate taxes against the property. The tax search will reveal if taxes are current or are unpaid and past due from previous years. In addition, the tax search will indicate the existence of any special assessments against the land and whether or not these assessments are current or past due. A due and unpaid tax or special assessment is a prior lien or a claim on the property above all others. An example could be unpaid property taxes or utility assessment. The seller can clear these liens so that the buyer can take clear title. If a buyer purchases property with unpaid and past due taxes, they attach to the property and the property can be foreclosed on if they are not paid.

### **Report on Possession**

Inspectors can be sent by the title insurance company to look at the property to verify the size, check the location of improvements and look for evidence of easements. The purpose is to supplement the information learned from the title search. In the eyes of the law, any buyer of real estate is assumed to have notice of all matters shown in the public records on that property. Sometimes a survey is required.

There are rights to a property that may limit ownership. The right of way for a road or power line, an easement for a driveway, or even air rights or mineral rights may have been sold or granted to someone else by a former owner.

If the inspector detects an unrecorded easement or other evidence of outstanding rights that could affect the owners’ title and possibly the value and intended use, the title insurance company tells the buyer of these things before he or she closes the purchase. Title insurance can protect the buyer from unrecorded easements or rights.

## **Judgement and Name Search**

One of the most important part of the title search is to determine if there are any unsatisfied judgement against the seller or previous owners. A judgement is a general lien against the debtor's real estate and constitutes security for any money owed under the judgement. The real estate can be sold to satisfy the judgement.

It is extremely important to be sure that a title is not subject to judgements against the seller or previous owners that could hinder the sellers ability to sell or delay closing. The seller must eliminate the judgement before the property can be passed on to the new buyer. Title insurance provides this protection by searching for judgements attached to the property.

Sellers and buyers may have names that are similar to other people who do have judgements.

## **Hidden Defects**

Some of the most serious risks which are not revealed by the records or by an examination of the abstract but are usually covered by a title insurance policy include the following:

### **Marital Status of the Owner**

Under the law, one spouse may have an interest in property owned individually by another spouse. An owner may say that he or she is single, although secretly married or perhaps divorced in another state. This could result in a claim by a spouse or a former spouse whose existence was not suspected.

### **Undisclosed Heirs**

When an owner dies intestate where there is no will, the courts must decide who the rightful heirs are. But, even then, such a decision by the court may not be final or binding on any heir who was not notified of the proceeding. Even under a will, the court may have to settle questions on interpretation of the will. Cases of this kind can include children born after the date of the will and heirs overlooked due to incorrect probate proceedings.

### **Mental Incompetence or Minors**

A transfer of property by a minor or a person adjudged to be mentally incompetent raises special problems. To be valid and binding on a minor or incompetent, the transaction must be made by guardians or conservators appointed by the court. If a deed or release was executed by a person who was a minor or under mental disability at the time, the transaction may be voidable or invalid.

### **Fraud and Forgery**

Fraud and forgery will not show as a matter of record. Examples where the title insurance company protects the new owner include:

- A previous owner that may have been fraudulently impersonated, and
- Deed, releases, mortgage or other documents that may be forged.

### **Defective Deeds**

The deed may be defective for a number of reasons that may not be found in the title search.

Examples may include:

- A deed that may have been delivered with consent of the owner on or after his or her death.
- A deed that may have been executed under and expired power of attorney.
- The name on the grantee may have been inserted in the deed after its delivery.
- The officer or a corporation that may have not been properly empowered to act.
- There may be an error in the legal description.

### **Similar or Identical Names**

Despite a careful investigation to prevent it, some confusion of identity is possible. Examples include:

- A person's title to his or her land, established thirty years ago may be under the name "Jonassen" and the taxes may still be paid under that name... but the lawsuits, marriages, divorces, wills and other actions may be under a simplified family name such as "Johnson."
- Two members of the same family might have the same name as in the case of a father and son. The title may be in one while the deed is executed by the other having no title.

### **Clerical Errors**

Clerical mistakes are infrequent, but they do happen. Examples include:

- A document may be missed in searching.
- Entries or indexing in records may be in error.
- A lot number or condominium address can be incorrect.

# Types of Coverage

## Standard Coverage

The owners standard coverage policy is used to insure the owner against loss because of:

1. Forgery
2. Fraud in connection with the execution of documents
3. Undue influence on a Grantor or Executor
4. False impersonation of those purporting to be owners of property
5. Incorrect representation of marital status of Grantor
6. Undisclosed or missing heirs
7. Will not property probated
8. Mistaken interpretation of Wills and Trusts
9. Mental incompetence of Grantor
10. Conveyance by minor
11. Incorrect legal description
12. Non-delivery of Deeds
13. Deeds executed under expired or false power of attorney
14. Delivery of Deed after death of Grantor
15. Deeds by corporation of partnership without proper or legal authority
16. Clerical errors in recording legal documents
17. Un-marketability of title as insured
18. Record defects, liens, encumbrances, adverse claims or other matters not known or disclosed to the new owner that attach before date of policy.
19. Legal access

The exceptions for the standard policy include rights of parties in possession, encroachments, question of location, boundary and area which and accurate survey or inspection would disclose, unrecorded easement rights, labor and material lien rights not of record, taxes and special assessments that are not shown as existing liens by the public record, matters contained in the United States Patents or in the Acts authorizing the issuance thereof, Indian and aboriginal rights, and water rights and claims or title to water.

## Extended Coverage

The extended coverage policy insures against all matters covered by the standard policy, plus other matters not of public record. It removes certain exceptions included in the standard policy because an inspection of the property is usually ordered.

The inspection is used as an underwriting tool by the title insurer to determine risk associated with the removal of certain exclusions. The inspectors look for parties in possession other than the seller, determine if there are unrecorded mechanics and material liens in the event of recent construction, and if there are any unrecorded easement rights. An attempt is also made to determine the location of the improvements in relation to the property boundaries. In the event the inspection is insufficient to locate the property boundaries, a survey may be required by the title insurer. Extended coverage protects the lender against loss because of all the items included in the standard policy plus the following:

1. Unrecorded liens
2. Survey and boundary questions
3. Claims of parties in possession disclosed by the public records
4. Easements or claims to easements not disclosed by the public records

## Homeowner Additional Protection Endorsements

This endorsement is issued automatically and at no additional charge on Owner's Policies insuring one to four family residential structures or condominium units in which the owner resides or intends to reside. The company insures the owner against loss or damage which the owner shall sustain by reason of:

1. The existence at the date of policy of any of the following matter;
  - A. Lack of right of access from said land to a public street
  - B. Any taxes or assessments levied by a public authority against the estate or interest insured which constitute liens thereon and not shown as exception in the policy.
  - C. Any unrecorded statutory liens for labor or material arising out of any work of improvement on said land in progress or completed at date of policy except a work of improvement for which said insured owner has agreed to be responsible.
2. The enforced removal of said residential structure or interference with the use thereof for ordinary residential purposes based upon the existence at date of policy of
  - A. Any encroachment of said residential structure or any part thereof onto adjoining lands, or on any easement shown as an exception in the policy, or onto any unrecorded subsurface easement.
  - B. Any violation of any enforceable covenants, conditions or restrictions affecting said land and shown in the policy.
  - C. Any violation of applicable zoning ordinances, but the Endorsement does not insure compliance with, nor is it in any way concerned with, building codes or other exercise of governmental police power.
3. Damage to said residential structure resulting from the exercise of any right to use the surface of said land for the extraction or development of minerals, if minerals are expected for the description of said land or shown as an exception or reservation in the policy.

# Ordering Title Insurance

## Who Buys Title Insurance?

Today, most transactions include title insurance. The one-time premium is paid at the closing of the transaction. As a matter of local custom, the seller pays for the new owner's policy and the buyers pay for the lender's policy. If the buyer wants extended coverage, they generally pay the extra fees which may include a survey.

Title insurance coverage is in force as long as the owner or the heirs are in title. The coverage is for matters of title that occurred prior to the owner acquiring title but, which may not surface until after the acquisition. Title problems originating after the owner is in title are not covered. Title insurance policies are dated and timed the same time as the insured document is recorded, whether a deed or deed of trust. The policy covers only matters occurring prior to this effective date and time.

## Owner's Policy

The Owner or seller provides the purchaser with a title policy that shows that they have marketable title to the property. It protects the title up to the purchase price of the property for the buyer for the period of time that the buyer owns the property.

## Mortgagee's or Lender's Policy

The institution that lends money on real estate wants that investment protected. The lender's policy assures the lender that the mortgage is a valid first lien protected against hidden as well as known defects in the title as insured. Such a policy affords the only way a lender can be certain about the title, which may be acquired in the event of foreclosures. The Lender's policy protects the lender for the time they have the lien against the property and the insurance coverage is for the amount of the mortgage. It decreases as the mortgage decreases.

## Insurance protection

Under the terms of a title insurance policy, you are protected against risks and insured against loss. If your title as insured is ever attacked the title insurance company stands ready to defend it in two ways;

1. If it is necessary to enter a legal defense of your rights under the policy in any suit or proceeding.
2. Adversely affection the title as insured. Legal counsel is employed to take action for the insured at the title insurance company expense.
3. If a loss is sustained, the insured is protected up to the full amount of the policy.

# What is a Preliminary Commitment?

## How to order the Preliminary Title?

The Preliminary title report is commonly ordered at the time or prior to an agent taking a listing. Then when there is a sale the buyers agent often orders preliminary title or works with the company that already has pulled title information. A copy of the title report is available to the real estate agents and the sellers and buyers.

## How to read the Report

When analyzing the report watch for the following:

*The names of the Buyers and the Sellers. Why?*

*Any judgements that are listed against the Buyer or Seller. Why?*

*The legal description of the property as it relates to the purchase and sale agreement. Why?*

*The recorded easements, rights and right of way. Why?*

*The recorded liens that are on the property? Why?*

## Why should Agents read the Preliminary Title Report?

Here are some examples of why real estate agents should evaluate a preliminary title report.

- Often agents overlook this step in the transaction. If there is a cloud or a defect, it is best to discover it as soon as possible. Most items identified in the title reports can be cleared up prior to loan approval.
- Owners often don't tell agents if there is a judgement that is a lien on the property.
- Owners may have a private party holding the first note. Escrow has to order payoff figures. If that person has moved and the note is paid to an escrow account in the bank, closing may be delayed.
- The legal description may differ from the description the real estate agent wrote on the purchase and sale agreement.
- The owner's names may vary from the names on the preliminary title.

# Ownership Information

Because the Title Insurance Companies often have large title plants, they are able to offer services on the ownership information on the properties in the counties in which they are located. Agents must know the sources for information on the properties that they list and sell. They are held to a high standard and need to be knowledgeable to represent properties accurately.

## Property Profiles

When listing a property, the Agent can order a property profile or otherwise known as a listing package. An example of the information contained follows.

- The last deed  
This is important because it shows the ownership. Often the last deed was when the sellers purchased the property. It could be a quitclaim deed.
- The tax information
- The plat map
- The property characteristics

## Ownership Information

The title insurance company provides this information. Often this information can be obtained from the last recorded deed.

## Comparisons

The title insurance company provides information on comparable properties. This information can be critical in the preparation of a Comparative Market Analysis reports. Often there are sales that occurred outside the multiple listing association and they show up in the county records on Metroscan, for example.

## Legal Descriptions

When listing property or selling property, it is critical that it be accurately described. The legal description is available from the title insurance company.

## Covenants, Conditions, and Restrictions

This information for plats and condominiums is available.

# What does Title Insurance Cover?

Here are some examples of situations where title insurance may or may not cover the problems. Though Title Insurance on the surface can appear to be without excitement, the cases that title insurance companies and attorneys face can be fascinating. We can learn from past cases.

There is an earthquake in Seattle and the house sits on top of a hill. The house is severely damaged. Will title insurance help?

*No. The homeowner would contact their homeowners insurance company.*

The other of the property cannot pay the mortgage because he is critically ill. Does title insurance help him make his payments?

*No. The property owner would not be covered because he was ill and couldn't make payments.*

A mysterious stranger comes to the door of the house and claims that he is the rightful owner. He said it was his parents home. Are the owners covered by this problem?

*Yes, Undisclosed heirs would be covered under most title insurance plans.*

The back deck of the property encroaches on the neighbor's yard and the neighbor wants it removed. Does title insurance pay for it.

*An encroachment may or may not be covered. It depends on the situation. The title company could pay for an easement for the deck.*

The owner of the property has lost his title to the 1999 Dodge Caravan minivan. Will the title insurance company recover it?

*A title insurance company provides insurance for property transactions not sales of cars.*

The title and escrow company made an error on the legal description. Is the buyer covered?

*The title company or escrow may be liable for errors that were made during closing.*

The buyer bought the property using a quit claim deed thinking that title insurance company covered the property when the seller bought it. The buyer finds out that the seller had liens on the property. Will an old title insurance policy from the last transaction cover him?

*No. A buyer that purchases a property on a quit claim deed with no title insurance policy would not be covered under an old policy.*

The seller did not pay the electrician for work done last summer on the house. The electrician placed a lien on the property.

*It depends on the situation, but title companies will cover undisclosed and mechanics liens.*

# The Inside View of Title Insurance

## Quiz

1. When you buy a \_\_\_\_\_ you don't need to know if the previous owner was married or had debt.
2. The most accurate description of title is a "\_\_\_\_\_."
3. A title insurance search may find that that the neighbor has an \_\_\_\_\_ across the property.
4. Another party may have rights to the \_\_\_\_\_ space over the property.
5. In the early days prior to title insurance, the buyer of a property would order an \_\_\_\_\_ of title.
6. Ownership to a car passes with a \_\_\_\_\_.
7. Ownership to a property passes with an \_\_\_\_\_.
8. Car insurance does not insure \_\_\_\_\_ of the car or the title.
9. A deed IS or IS NOT proof that the person described as the seller or grantor is actually the owner of the property.
10. With title insurance, you pay a premium \_\_\_\_\_ you purchase the property.
11. The Insurance Commissioner in Olympia regulates the title insurance companies in \_\_\_\_\_.
12. There are commonly two policies ordered in a typical transaction. One for the buyers lender and one for the \_\_\_\_\_.
13. ALTA is the name of the most popular title officer. True / False
14. Title companies sometimes share \_\_\_\_\_ plants.
15. A listing packet or property profile is not the same as \_\_\_\_\_ title.
16. Common or \_\_\_\_\_ names can cause problems with ownership information.

17. Title insurance covers problems with ownership and records from the \_\_\_\_\_ back through history.
18. The homeowners endorsement gives the buyer more \_\_\_\_\_.
19. There is a hurricane and damage occurs to a property. Does title insurance cover it? Yes / No
20. The “ \_\_\_\_\_ ” is simply a history of the ownership of a property.
21. The title company will do a \_\_\_\_\_ which will reveal if taxes are current or past due from previous years.
22. The title company will identify if a right has been \_\_\_\_\_ to use part of a property as a road or easement.
23. The title company will look for unsatisfied \_\_\_\_\_ or lien that may be attached to the property.
24. The one-time premium for the title insurance policy is paid at the time of \_\_\_\_\_ of the transaction.
25. The seller provides the purchaser with a title policy that shows that they have \_\_\_\_\_ title to the property.
26. A deed may be \_\_\_\_\_ if it was executed under an expired power of attorney.
27. If a deed was executed by a person who was a minor at the time, the transaction may be \_\_\_\_\_ or invalid.
28. Owners often don't tell agents if there is a \_\_\_\_\_ that is a lien on the property.
29. Title insurance coverage is in force as long as the owner or the \_\_\_\_\_ are in title.
30. The owners \_\_\_\_\_ coverage policy is used to insure the owner against loss because of forgery.
31. Standard coverage protects the owner against undisclosed heirs.
32. Under the terms of a title insurance policy, you are protected against risks and insured against \_\_\_\_\_.
33. If the agent notices that the owners name differs from the name on the \_\_\_\_\_ title report he should contact the title company.
34. A property profile or listing package will often include a \_\_\_\_\_.
35. An exception for the standard policy means that the item IS or IS NOT covered.

**You must attach this or the answer sheet to the evaluation and return to Professional Direction with tuition to get clockhours.**



## Mandatory Evaluation

Did you read the material in the booklet on this date? YES / NO  
 Did you complete the quiz and attach answer sheet? YES / NO  
 Did you enclose Tuition (\$30 for 3 hrs) YES / NO  
 Pay using the link on the website. Paypal processes the credit cards. Did you pay? YES / NO  
 Why did you choose to take this course? Topic? Time? Cost? Ease? Other?  
 A "clock hour" is 50 minutes. This 3 hour class should take about 2 hrs 30 min. How long did it take to complete the course? \_\_\_\_\_

	No			Yes	
Will the material you learned improve your performance?	1	2	3	4	5
Were the course materials easy to follow?	1	2	3	4	5
Were the course materials relevant to your profession?	1	2	3	4	5
Were your objectives met by attending the class?	1	2	3	4	5

What are 3 things that you learned from the course?

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

The Inside View of Title Insurance		
Print Name CLEARLY	Signature	Company
Address	City Zip Code	Phone
Twitter name Required @	Email	
License Renewal Date		Date class taken

*Thanks for taking this class! I really appreciate the agents that take clockhours from my school!*  
**Professional Direction, 13148 Holmes Pt Dr NE, Kirkland, WA 98034      email: clockhours@gmail.com**