

I'm Refinancing, Why do I Need A Title Insurance Policy?

When you refinance - that is, obtain a new loan, your lender will require title insurance even though you purchased a policy when you first bought your home, even if you purchased your home recently.

For as long as you own your home, your title insurance is valid, but it does not insure a new mortgage created when you refinance. It also does not protect against events that may have transpired between the time you purchased your property and when it is refinanced.

For example problems could surface, such as a second mortgage on the home that could threaten the priority of the new lender's mortgage, a mechanics lien from a contractor, a tax lien, or a legal judgement against you. Your lender wants to make sure that its mortgage will not be affected by any of these other liens, and will want a new policy insuring the validity of your mortgage at the time it's made.

Lenders also insist on a new title policy because many mortgages are sold to investors in the secondary mortgage market. A new title insurance policy assures the investors that the mortgage is valid and enforceable.



If you have recently purchased your home, ask for a re-issue rate to receive a discount.

Remember you have the safety and security that only title insurance provides, which lasts for as long as you own your property.

