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TITLE MISTAKES THAT CAN HAUNT YOU

The purchase of a home is arguably the most important investment a buyer will make in his/her lifetime and it's imperative to ensure the transition of ownership is a smooth process. Without title insurance, the owner's rights to the property may be in jeopardy due to an intentional or unintentional slip-up. Here, we will explore some situations where not having title insurance may haunt you.

1. FILING ERRORS- Small clerical mistakes such as misfiling taxes or missing names on a deed can disrupt the ownership of a property. For the homeowner, correcting these public records errors can become a financial burden to amend.

2. HIDDEN LIENS- If the previous owner was behind in paying the mortgage or taxes, the government or financial institution will issue a lien on the property. Unfortunately, new homeowners can inherit debt even if it was not theirs to begin with.

3. MYSTERY HEIRS- When someone passes away, the ownership of the property may be inherited to his/her heirs, or individuals disclosed in the will. At the time of death, the heir may be missing or unknown, resulting in the deceased's family members claiming the rights to the property. However, when the mystery heir comes forward to claim the property, the current owner's rights may become endangered, even years after the sale.

4. FORGOTTEN ENCUMBRANCES- An encumbrance allows a third-party to claim part of the property. For example, an encumbrance can limit how one uses the property, it can be a lien, or it could be an old mortgage. If an encumbrance is forgotten at the time of sale it can be costly to correct.

5. EASEMENTS- Easements typically allow a third-party access to the property from time-to-time (think: sidewalk repairs). Although not financial in nature, easements can typically be a nuisance if they are unknown.

6. FORGERY- When falsified documents land in public records, chances are that the person who sold the home did not have the legal right to do so. As you can imagine, it is a nightmare for the current owner of the property.

7. BORDER WARS- To err is human, but mistakes that interfere with your property rights are distressing. Sometimes a property survey can reveal the mistakes of a previous survey. For instance, if the results show that a property is larger than it was previously believed to be, it may result in awkward or unfriendly neighborly disputes.

Title insurance protects homeowners from discrepancies related to the purchase and ownership of their home. For more information about how you can uphold your property rights, contact your California Title Company representative today.

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