

### **What does Escrow do for me?**

Escrow staff work as a neutral third-party whose purpose is to follow the instructions laid out in the real estate contract and successfully close the transaction. Escrow takes direction from the real estate contract to which all parties have agreed. This includes ensuring that no money changes hands until all contingencies have been met and title is clear. Typically the cost of escrow is divided evenly between the buyer and the seller. Escrow fees are part of the closing costs listing on the closing disclosure.

### **What is a mobile notary or mobile closing?**

It is common in many markets for escrow companies to provide the convenience of a mobile closing. In the days before the transaction closes, both the buyer and seller will need to sign documents. A mobile notary will meet you at your home, office or another location that is convenient for you to sign these documents. This eliminates the need for the buyers and sellers to drive to the nearest escrow office.

### **I will be out of town for the closing. How will escrow handle this?**

The first solution to this is signing a power of attorney to give the power to someone you trust to sign the closing documents on your behalf. A limited power of attorney can limit their power to sign only documents for a specific transaction. Alternatively, documents can be emailed to the buyer, and the buyer can overnight the signed originals to the escrow team a few days prior to closing.

### **Why do I need title insurance?**

When you purchase your home, how can you be sure that there are no problems with the home's title and that the seller really owns the property? Problems with the title can limit your use and enjoyment of the property, as well as bring financial loss. That is what a title search and title insurance are for. It insures that the record title is good subject only to the exceptions expressly set out in the Policy. It also insures against certain matters which do not appear of record such as forgery identity of parties' incompetence of former owners' interest of missing heirs and status of individuals not having the "right" to sell property.

### **Do I need title insurance on a condominium?**

Yes. In a condominium, you technically do not own "land" but rather you own the "air space" inside the walls, ceiling and floor of your unit. Title insurance is available for a condominium, just as it is in a house on its own parcel of land. You should get title insurance on your condominium unit to protect your interests. A title search will be done when you are purchasing your condominium, just as it is when buying a house, and this search will reveal any defects in the title of the unit along with any problems or liens which may occur against the condominium building or the complex itself. You will receive a deed to your own unit plus an undivided interest in the common areas, such as the parking areas, walkways, yards, and pool. You would want to be sure that you could not be held liable for any unpaid bills or liens against the condominium association. If there are unpaid bills on the common areas, the association could prepare an affidavit stating that they have the money to pay the bill. If there is litigation regarding an unpaid bill, the association could post a bond or set the money aside for payment of that debt.

### **How are title insurance premiums determined?**

Title Insurance Premiums are determined by the amount and type of coverage provided. Unlike other insurance premiums the title insurance premium is paid only once as the policy is effective for so long as title or "ownership" remains in the same of the insured or his heirs or devisees. Rates are filed with the insurance commissioner who regulates the activities of title insurers.

### **What are the primary differences between a Standard Owner's Policy and a Home Owner's Policy?**

See our policy comparison chart. Please contact us if you would like to discuss specific coverage details.

### **Why does my lender require me to purchase a loan title policy?**

Most lenders usually require a Loan Policy when they issue you a loan. The Loan Policy is usually based on the dollar amount of your loan. It only protects the lender's interests in the property should a problem with the title arise. It does not protect the buyer. The policy amount decreases each year & eventually disappears as the loan is paid off.

### **I'm refinancing, why do I need title insurance?**

When you refinance you are obtaining a new loan, even if you stay with your original lender. Your lender will usually require a new title search and Loan Policy to protect their investment in the property. You will not need to purchase a new Owner's Policy; the one you bought at closing is good for as long as you and your heirs have an interest in the property. Even if you recently purchased or refinanced your home, there are some problems that could arise with the title. For instance, you might have incurred a mechanics lien from a contractor who claims he/she has not been paid. Or you might have a judgment placed on your house due to unpaid taxes, homeowner dues, or child support for instance. The lender needs reassurance that the title to the property they are financing is clear.

### **I'm buying new construction, do I need title insurance?**

Construction of a new home raises special title problems for the lender and owner. You may think you are the first owner when constructing a home on a purchased lot. However, there were most likely many prior owners of the unimproved land. A title search will uncover any existing liens and a survey will determine the boundaries of the property being purchased. In addition, a builder may have failed to pay subcontractors and suppliers. This could result in the subcontractor or supplier placing a lien on your property. Again, lenders want to be sure the property has clear title, and they are insuring the correct property. Purchasing an Owner's Policy will protect you against these potential problems and pay for any legal fees involved in defending a claim.

### **How do I file a title insurance claim?**

An owner's policy of title insurance is intended to provide the homeowner with peace of mind about their legal rights to real property. If the homeowner has any question or concern about his or her rights, he or she should promptly notify us at [info@premiertitlehawaii.com](mailto:info@premiertitlehawaii.com). If you are unable to locate your policy, or are unsure whether you purchased a policy, contact us and we'll help locate your policy. You can also determine if you have title insurance coverage by reviewing the settlement statement ("closing disclosure") provided at the closing of your purchase, which itemizes receipts and disbursements by the closing officer. When giving notice of a potential claim, you should include the property address, a brief statement of the question or matter that concerns you, copies of any claims documents received, and a copy of your owner's policy (if available). Remember, the broad coverage of title insurance includes protection against frivolous claims, or "clouds" on title that may not present an immediate problem. So it's best to contact the title insurer promptly, as soon as you have any question or concern about your legal rights with insured land.