

Typical Title Insurance and Closing Steps in a Purchase Closing

1. **Opening**—Receiving purchase contract, initiate title order, procure property disclosure report
2. **Title Search and Examination**—Perform geographical title search and name search, conduct property tax search, review and analyze title search, review additional documents as necessary
3. **Preliminary Report**—Prepare Commitment, deliver finished report, privacy policy, wiring instructions, requested document images, maps, plotted easements to involved parties
5. **Title Curative Work**—coordinate title curative work with clients, and attorneys
6. **Processing**—Review and analyze preliminary report/commitment, receive Inspection reports, review documents
7. **Closing**—Receive closing package and instructions, order updates for title, balance file and prepare final settlement statement, funding
8. **Title Policy**—Prepare and deliver final policy with endorsements.



The Illinois Land Title Association's (ILTA) legacy of over 100 years of service to title agents, abstractors and underwriters is the foundation in assuring that industry issues and member concerns remain its primary focus.

Through its work in the Illinois General Assembly, the ILTA crafted the Illinois Title Act that continues to serve today as the benchmark for consistent application of title services thus giving buyers, sellers and lenders alike a level of confidence that their real estate/mortgage dealings have met an industry measure of standard in protecting their business transactions.

In the field of education, ILTA remains a leader in providing industry specific programs which serve as a great training field for people in the industry. Two industry designations are destined to become the standard of knowledge for either an escrow or title professional in Illinois. Each designation includes the successful completion courses which have been developed by professionals within the industry, individually reviewed and presented by instructors who have extensive experience in land title evidencing.

The Illinois Land Title Association prides itself in laying the groundwork for industry networking which crosses geographic as well as company boundaries thus fostering relationships that motivate title professionals to continue in the tradition of quality association leadership and industry fellowship. It is this networking of people that truly makes the ILTA a great organization.

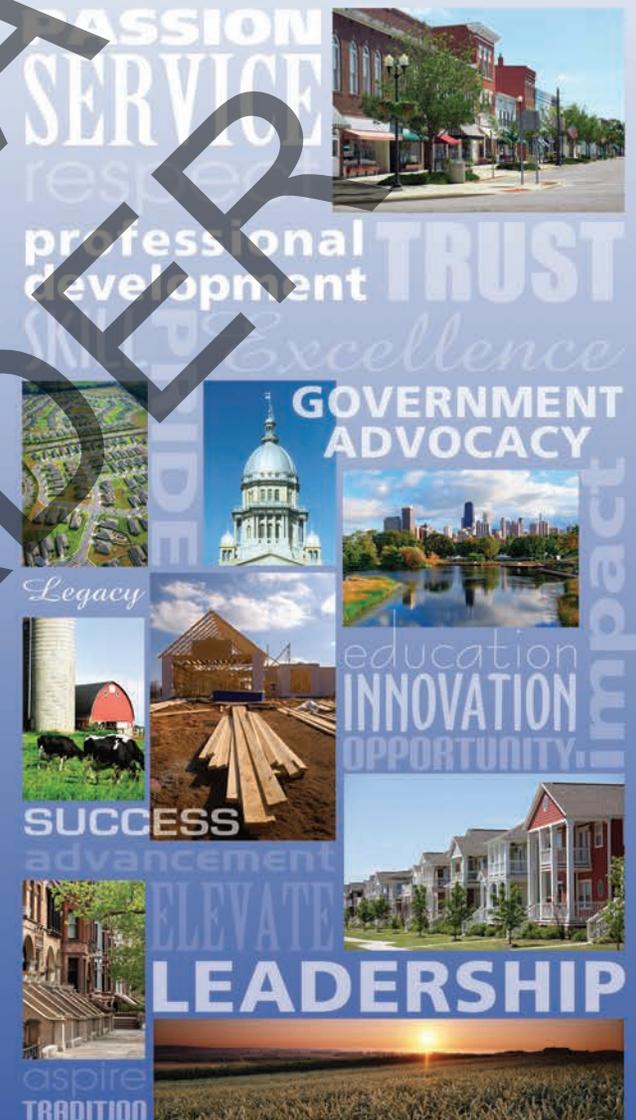
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PROTECTING YOUR WEALTH



WHY TITLE INSURANCE

When purchasing real estate, title to the property is acquired—which may be limited by rights and claims asserted by others.

Problems with title can limit use and enjoyment of real estate, as well as bring financial loss. Title trouble also can threaten the security interest a mortgage lender holds in the property.

Protection against hazards of title is available through a unique coverage known as title insurance. Unlike other kinds of insurance that focus on possible future events and charge an annual premium, title insurance is purchased for a one-time payment and is a safeguard against loss arising from hazards and defects already existing in the title.

It's Important to Know The Difference

There are two basic kinds of title insurance:

- Owners coverage
- Lenders, or mortgagee, protection

Owners title insurance ordinarily is issued in the amount of the real estate purchase and lasts as long as the insured—or his/her heirs—have an interest in the property. This may even be after the insured has sold the property.

The amount of lenders title insurance decreases and eventually disappears as the loan is paid off. Most lenders require title insurance as security for

their investment in real estate, just as they may require fire insurance and other types of coverage as investor protection.

Risk Elimination Before Insuring

An important part of title insurance is its emphasis on risk elimination before insuring. This means the insured has the best possible chance for avoiding title claim and loss.

Insuring title begins with a search of public land records for matters affecting the title to the real estate. The examination of evidence from a search is intended to fully report all material objections to the title. Frequently, instruments that don't clearly pass title are found in the chain, or history, of ownership assembled from the records in a search. These need to be corrected before a clear title can be conveyed. Here are some examples of instruments that can present concerns.

- Deeds, wills and trusts that contain improper vestings and incorrect names
- Outstanding mortgages, judgments and tax liens
- Easements
- Incorrect notary acknowledgements

Through the search and the examination, title problems like these are disclosed and can be cleared up when possible. But even the most careful preventive work cannot locate hidden hazards of title.

Hidden Title Hazards — Unpleasant Surprise

In spite of all the expertise and dedication that go into a search and examination, hidden hazards can emerge after completion of a real estate purchase, causing an unpleasant and costly surprise. Some examples include the following:

- A forged deed that transfers no title to real estate
- Previously undisclosed heirs with claims against the property
- Instruments executed under expired or fabrication power of attorney
- Mistakes in the public records

Title insurance offers financial protection against these and other hidden hazards through negotiation by the title insurer with third parties, defense against an attack on title as insured, and payment of claims.

