

TITLE INSURANCE EXPLAINED

The "Wait, Another Insurance?"



We get it. You have insurance fatigue.

By the time you reach the closing table, you have already paid for an appraisal, a home inspection, and a full year of Homeowners Insurance. Then, you look at your Closing Disclosure and see a line item for Title Insurance.

It is completely normal to wonder:
"What is this, and do I actually need it?"

The short answer? Yes. It is arguably the most important fee on your entire closing statement. Here is why.



Homeowners Insurance vs. Title Insurance

To understand Title Insurance, you just need to understand the direction of time:



Homeowners Insurance protects your **Future**

It covers you if something unpredictable happens after you buy the house (like a tree falling on your roof, a fire, or a burst pipe).



Title Insurance protects your **Past**

It covers you if a massive legal or financial mistake was made by a previous owner before you bought the house.

When you buy a home in Alabama, you aren't just buying the bricks and the yard—you are inheriting the legal history of the property. Title Insurance makes sure you don't inherit someone else's mess.

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The Ghosts of Homeowners Past

What exactly are we protecting you from?

Before you buy the house, the team at Propy conducts a rigorous "Title Search." We dig deep into Alabama public and county records to make sure the seller legally has the right to sell you the home, and that there are no red flags attached to the property.

Most of the time, we find the issues and fix them before closing day. But sometimes, mistakes from decades ago are buried so deeply that no public record could ever catch them.

An Owner's Title Insurance policy protects you against the hidden nightmares:



Unpaid Liens

The previous owner remodeled the kitchen but never paid the contractor. Without title insurance, that contractor can legally demand you pay the bill, or they can place a lien on your new home.



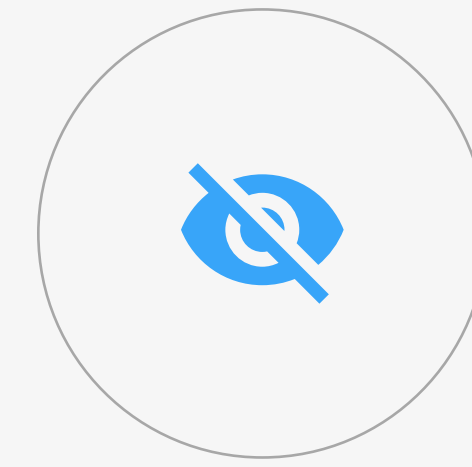
Unknown Heirs

A long-lost relative of a previous owner suddenly shows up with a will claiming they actually own the house you just bought.



Forged Documents

A deed in the property's history was forged, or a signature was falsified by a past owner.



Public Record Errors

A simple clerical mistake made by a county clerk 30 years ago suddenly threatens your legal ownership of the land.

The Tale of Two Policies

If you are taking out a mortgage to buy your home, you will likely see TWO different title insurance policies on your closing paperwork. Here is what they mean.



The Lender's Policy (Required)

If a bank is loaning you hundreds of thousands of dollars, they want to make sure their investment is safe.



Lender's Title Policy

Your lender will require you to purchase a Lender's Title Policy.



The Catch

This policy only protects the bank. If a long-lost heir sues for the property, the Lender's Policy ensures the bank gets their money back. It does absolutely zero to protect your equity or your right to live in the house.

The Owner's Policy

Optional, but Crucial

This is the policy that actually protects YOU.

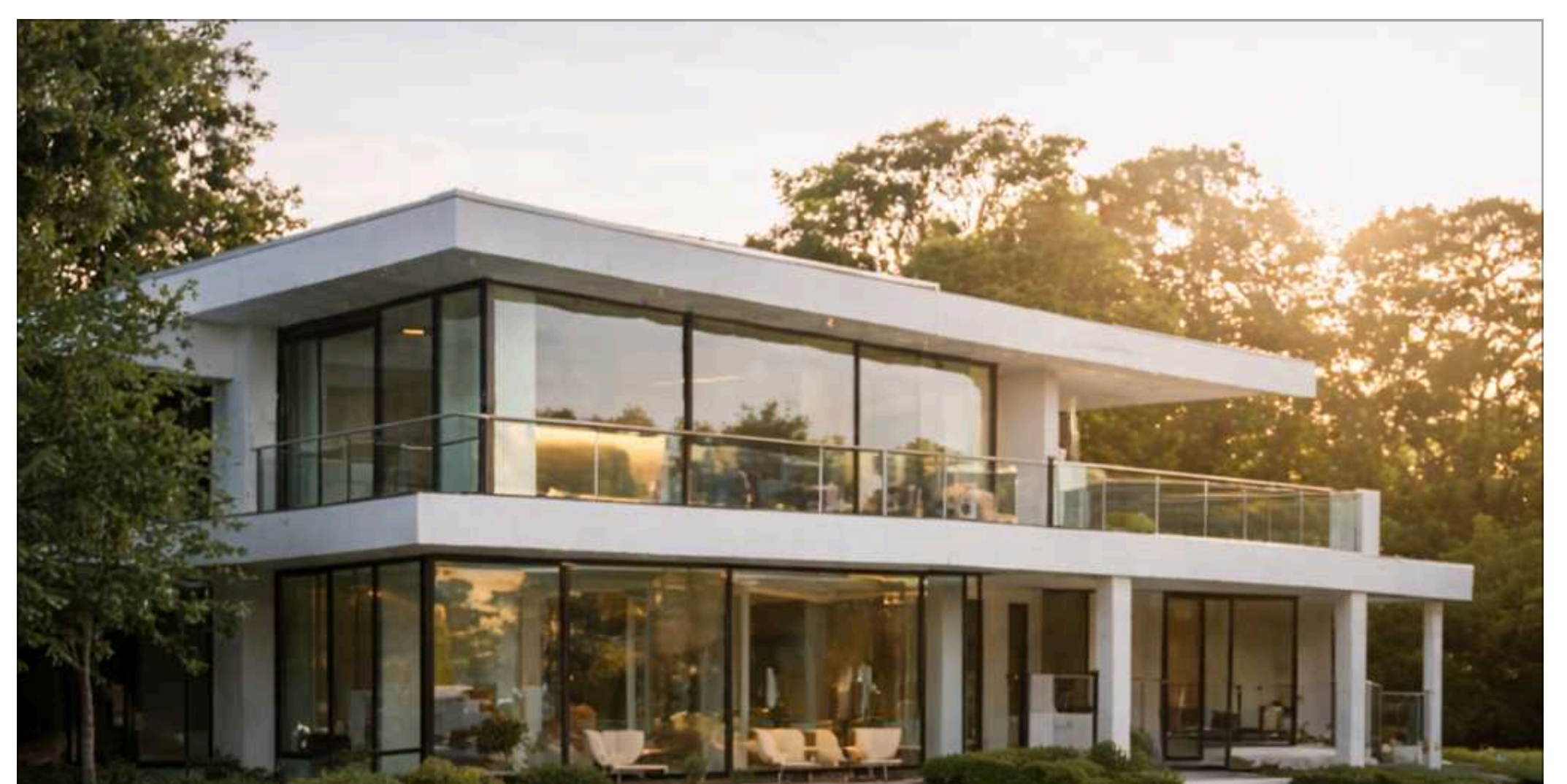


While it is technically "optional," buying a home without an Owner's Policy is like driving a brand-new car off the lot without car insurance.



If anyone ever challenges your legal ownership of the property, your Owner's Policy steps in. It covers your legal fees to fight the claim in court, and if the claim is valid, it reimburses you for your financial loss up to the purchase price of the home.

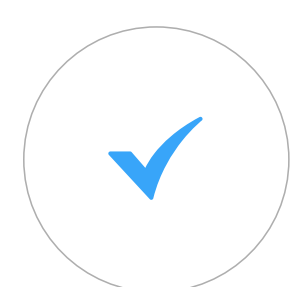
The Best Value in Real Estate



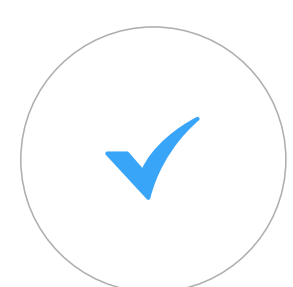
Pay Once. Protected Forever.

Here is the best news about Title Insurance: Unlike your health insurance, car insurance, or homeowners insurance, **there is no monthly premium.**

Title Insurance is a one-time fee paid at the closing table.



You pay it once.



It protects you and your heirs for as long as you own the property.

The Propy Promise

We believe that buying your first home should come with absolute peace of mind. You focus on picking out the paint colors and packing the boxes.

Our team **at Propy & Escrow Alabama** will do the heavy lifting in the background—clearing the title, securing your transaction, and issuing the policy that keeps your home safe for decades to come.



Questions about your
closing costs or title policy?
We are here to help.