

What is title insurance? Why do I need it for my new house?

Title insurance protects you from problems with an ownership title when you buy real estate. These may be problems that existed before the purchase, such as: (1) unpaid property taxes, (2) fraud or forgery of previous paperwork, or (3) a spouse or unknown heir who claims they own the property.

Title companies search for problems with the title that need to be corrected before you buy the property. If there's a challenge to your ownership later, your title company will handle the dispute.

1. It's not homeowners insurance

- **Title insurance:** Protects your ownership of the property. You pay the premium one time, when you close on the sale of the property.
- **Homeowners insurance:** Protects you from losses due to fire, weather, other types of property damage, or theft. You pay your homeowners premium every year.

2. There are two kinds of title policies

- **Owner's policy:** Protects the homeowner. It's good for as long as you own the property.
- **Loan policy:** Protects the rights of the lender. It's good until the loan is paid off.

3. You can use any title company

- Your real estate agent, builder, or lender may recommend a title company, but you can choose any company you want. Make sure the title agent is licensed by Louisiana Department of Insurance.