
Title Insurance Basics: Title Searches

By David E. Hart

You already know that before a title insurance company can proceed with issuing a title insurance commitment, they'll need to conduct a title search. But you may not be aware of all the work that goes into a title search. In today's column in our "Title Insurance Basics" series, we'll explore a few of the items that title searchers work to discover.

Title searchers start out searching public records to ensure that the property is free of liens and judgments. Liens and judgments can be stored in a variety of ways, including by property address, the property's legal description, or the seller's name, so a thorough title search will investigate each of these possibilities. These searches will also yield information about mortgages on the property, assessments, taxes, levies, or other potential issues that could disrupt the purchaser's ability to own the property free and clear.

A thorough searcher will also be able to uncover any recorded easements that may interfere with the buyer's right to possess or access all parts of the property. These efforts, however thorough they may be, may not expose every possible source of uncertainty, such as contractors' liens (which arise by operation of law and are yet to be recorded) and other claims not appearing of record. For that reason, no title insurance policy can cover everything, and policies will except a certain set of areas that a title search could never uncover. These might include unrecorded debts, claims related to water rights, legal description discrepancies, unrecorded claims for homeowners' association dues, adverse possession and acquiescence or a number of other potential interests or claims excepted from a typical title insurance policy. As such, depending upon the circumstances of a given property or transaction, consideration should be given to the nature and extent of seller closing disclosures relating to title, the use of closing protection letters, and obtaining additional title endorsements.

Title searches serve as the jumping off point in issuing a commitment, and they're useful in providing key information about the history and status of a piece of property. They're just one piece of the larger title insurance puzzle.

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