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Meaning of Title Insurance Outsourcing and Two Ways That Lenders and Buyers Could Use it by Amitaabh Saboo

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Title insurance outsourcing is principally common in the United States. Title insurance is a type of indemnity insurance provided to protect home owners and lenders against legal claims and fees that may result from imperfections in title to real property. Ownership changes automatically when land and the structures built on it are legally transferred to another person. This trend normally produces errors and omissions in the title. As a consequence, a real property buyer or lender requires an insurance policy to protect the title against false claims.

A policy holder is shielded against any title error that might have happened in the past but not what will happen to it in the future. So the end date of the policy is the day it is issued but its beginning is indefinite. To define the term title insurance outsourcing, therefore, one has to understand what outsourcing means in the context of title insurance.

Outsourcing is, of course, the act of assigning a task that one can do personally to another contractor.

Thus title insurance outsourcing refers to an arrangement where a mortgage loan buyer or lender hires a third party to find a title insurer. Even if a lender outsources such a task the buyer remains accountable for premium payments. A lender requires an insurance cover called a loan policy. It serves as collateral against financial losses that a lender would incur if something were to happen to the property title in the course of a mortgage. A loan policy is usually a sum of money equal to the mortgage loan.

Since a loan policy only protects the property title up to the borrowed amount, the owner's title to the property is left unprotected. So the house owner has to buy additional cover called an owner policy to insure the full value of the house. The whole process explained above is very complicated for novice buyers and busy lenders. Insurance outsourcing is the solution and it can be used in two ways.

Title Search - The two insurance covers described above cannot be bought without a valid title. This enables asset lenders and buyers to meet professionals who can skillfully examine public records to determine if the property title has errors. All the previous records associated with the property in question are scrutinized during a title search. According to statistics, a third of all title searches disclose a problem in a title. The problem could range from a petty to a big issue. Common errors include signature forgery, undisclosed heirs, unpaid land taxes and other liens. A reliable title search expert corrects an error as soon as it is found to speed up the closing stage of a mortgage loan.

Title Insurer Search - Even if a title search reveals no problems, a house buyer or lender cannot be absolutely sure that a title would stay genuine in the future. The two insurance policies mentioned above (a loan policy and an owner policy) must be purchased to protect both the lender and borrower. Since this is difficult a title insurance outsourcing service should be used to help with the hunt for a decent title insurer. An experienced outsourced professional will not only search for a recognized insurer but also one who can give high quality and inexpensive products.

Whether a home owner is looking to buy a loan policy, an owner policy or both, delegating this intricate task to a more knowledgeable and experienced third party is the best choice. It saves time that would otherwise be wasted perusing public records and gathering the appropriate title insurers. This is a very reliable service because it is quick, thorough and accurate.

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Amitaabh Saboo - About Author:
Titlepro360 provides turnkey solutions to the needs of Title Insurance Companies Agents Anywhere Across USA. a target_new Outsource Title Service and Title Processing Solutions help Title Insurance and Settlement Companies.

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