Title Commitment Outsourcing â€“ Four Elements Involved and Why Outsourcing Works

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Article published on May 23rd 2012 | Business

Title commitment outsourcing is all the rage now in the mortgage industry. The key participants in the industry such as listing agents, brokers, lenders, home owners and selling agents are involved in this. While mortgage processing has different facets, title searching stage is both complex and tedious. It includes three major steps: title searching, title commitment and title insurance policy. Title commitment, the main subject of this article, refers to a document issued by a title search company after scrutinizing public records carefully. Alternatively called a title insurance binder, a title insurance commitment lists the requirements and exceptions of the insurance policy. The document is, in reality, something that prevents a title insurer from issuing a policy to a buyer until all the requirements detailed in it are met. The following section shows four elements of title commitment outsourcing in one way or another.

• A home buyer - When a person intends to buy a property he or she wants to be sure about the title status. A title commitment document is an item that can act as proof that a property has a genuine title and that it belongs to the person or company selling it.

• A listing agent - This is an entrepreneur who lists properties for sale and has to discover something in the titles that could jeopardize sales. Such a thing can be revealed via title commitment outsourcing and may include a case of bankruptcy affecting either a seller or buyer, pending liens, contradicting names in the title and other omissions.

• A selling agent - A commitment for title is necessary after a selling agent has agreed to sign a Real Estate Contract.

• A Lender - After signing disclosures, property title search and release of the title commitment document are very important to a lender. Title commitment outsourcing enables a lender get a loan policy after fulfilling the necessary conditions.

The outsourced companies can offer help in more ways than one. First, they are very reliable when it comes to the interpretation of the commitment title document. The disclosure issues included in it are comprehended properly only by the real estate attorneys. Some of the disclosure items that may not be understood by ordinary property buyers include easements, CC&R's (Covenants, Conditions and Restrictions), right of access to property and various liens. A title commitment outsourcing attorney can explain the meaning of the above terms.

Not only is an attorney needed to explain these terms but also the key sections of the commitment title document. Main sections consist of Schedule A, Schedule B, Requirements and Exclusions. An applicant who decides to use an external service provider to search for property title must understand each of the sections to give way for the release of a title insurance policy. In addition to helping a client comprehend various sections the title commitment outsourcing professionals can get the job done quickly and accurately than any in-house staff or individual property buyer or seller.

These professionals work independently and remotely using their office resources, knowledge and experience. They are, as a result, not a liability to any individual or company looking to buy their service. During the search stage they are keen to eliminate problems that might appear in the title making sure that the owner is aware of this as well. To proof the authenticity of their service they produce the document described above and makes sure that the client understands everything in it. Title commitment outsourcing service ends when a client gets the insurance policy and it is

imperative to work with a company that could come this far.

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Article Keywords:
Title Outsourcing, Outsource Title,Outsource Title Processing, Title insurance Outsourcing

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