

The ABCs of a Title Commitment

Every buyer and seller knows a title commitment is part of the process of purchasing or selling their home or property. Few have a clear understanding of what the commitment actually is. It is exactly that—a commitment from a title company to issue a title insurance policy to a buyer or lender, if the conditions listed in the commitment are met. Below is a summary of each of the 4 KEY schedules found in a commitment:



Actual Facts

Reflects the type of transaction we anticipate insuring as well as the current owner and legal description of the property found of record. The information contained on Schedule A should match the information set forth on the sales contract.



Buyer Notification

Sets out the exceptions and exclusions from coverage found of record. Any person or entity having an interest or right to use or restrict the use of the property will appear on Schedule B. Copies of the exception documents referenced on Schedule B will be provided to the buyer for review.



Clear to Close

Sets out all matters found of record affecting title which must be resolved by the seller prior to or at closing. This schedule also includes information regarding the Area and Boundary coverage and the T-19.1 Endorsement. According to the sales contract, your Owner's Title Policy will automatically include Area and Boundary coverage AND Restrictions, Encroachments and Minerals coverage (T-19.1 Endorsement) unless declined prior to closing. The Area and Boundary coverage (Survey Deletion) will be an additional cost of 5% of the Owner's Policy premium. The T-19.1 Endorsement will be an additional 10% of the premium. If the T-19.1 Endorsement is purchased with the Area and Boundary coverage as mentioned above, the cost of the T-19.1 Endorsement will be discounted to 5% of the premium. If you choose to omit either of these coverages from your policy, you will need to notify our office in writing prior to closing.



Disclosure

Outlines all parties who will receive any part of the premiums paid for the title policy, including the title agencies, underwriters and attorneys.