



SPRING HOUSE HUNT

The best resource around for buyers, sellers, owners, and those who are thinking about becoming one.

Chat with Timothy Dwyer at 11 a.m.

Entitle Direct CEO Timothy Dwyer chats Wednesday, April 1 at 11 a.m. on title insurance and the closing process.

Spring House Hunt Chat with Timothy Dwyer		(04/01/2009)
10:48	[Comment From Clifford Atiyeh] Hi, Tim. If you can read this, you're all set. For all other questions, click the green icon to make it appear in the chat window, and then you can type your answer.	
10:49	Tim Dwyer-ENTITLE DIRECT: OK, We're ready at ENTITLE DIRECT	
10:57	[Comment From waterfront] How do you determine if you need flood insurance or not . how can you protect yourself if you have river front on the merrimack river . what coverage should you have . thx	
10:58	Tim Dwyer-ENTITLE DIRECT: Flood insurance is a Property & Casualty Insurance matter, as opposed to title insurance; best to talk to your homeowner policy insurance agent about that.	
11:02	[Comment From Suzanne] what is title insurance?	
11:03	Tim Dwyer-ENTITLE DIRECT: Title insurance protects the lender and the secondary markets to which they sell home loans from defects in the title to your home and property; it insures the validity and enforceability of the mortgage document.	
11:04	[Comment From Shannon] When do I need title insurance?	
11:05	Tim Dwyer-ENTITLE DIRECT: Title insurance is required by lenders whenever they make a mortgage loan. This includes both purchase of a home and refinances.	
11:08	[Comment From John] I'm in the process of looking to purchase a home. Where do I get title insurance from and what else do I need to get/have?	

Full chat.

Spring House Hunt Chat with Timothy Dwyer

- 10:49** **Tim Dwyer-ENTITLE DIRECT:** OK, We're ready at ENTITLE DIRECT
- 10:57** [Comment From waterfront]
How do you determine if you need flood insurance or not . how can you protect yourself if you have river front on the merrimack river . what coverage should you have . thx
- 10:58** **Tim Dwyer-ENTITLE DIRECT:** Flood insurance is a Property & Casualty Insurance matter, as opposed to title insurance; best to talk to your homeowner policy insurance agent about that.
- 11:02** [Comment From Suzanne]
what is title insurance?
- 11:03** **Tim Dwyer-ENTITLE DIRECT:** Title insurance protects the lender and the secondary markets to which they sell home loans from defects in the title to your home and property; it insures the validity and enforceability of the mortgage document.
- 11:04** [Comment From Shannon]
When do I need title insurance?
- 11:05** **Tim Dwyer-ENTITLE DIRECT:** Title insurance is required by lenders whenever they make a mortgage loan. This includes both purchase of a home and refinances.
- 11:08** [Comment From John]
I'm in the process of looking to purchase a home. Where do I get title insurance from and what else do I need to get/have?
- 11:13** **Tim Dwyer-ENTITLE DIRECT:** At ENTITLE DIRECT, we encourage all consumers to shop around for their title insurance in order to get the best rates and service. By going to a site such as closing.com, you can see in an instant title insurance providers and what they charge.
- 11:17** **Tim Dwyer-ENTITLE DIRECT:** There are numerous sites in addition to closing.com, such as mtgprofessor.com (The Mortgage Professor), that cover what other closing costs you may incur in addition to the title insurance premium, and the other things you will need in the closing process.
- 11:18** [Comment From Paul Anne]
How much does title insurance cost?
- 11:19** **Tim Dwyer-ENTITLE DIRECT:** The cost of title insurance varies by state, the size of the transaction, whether it is a purchase or refi, and how long it has been since the last title insurance policy was issued. All of these factors mean that you should shop for title insurance in order to get the best possible rate.
- 11:19** [Comment From Shannon]
Does the lender provide it?
- 11:21** **Tim Dwyer-ENTITLE DIRECT:** Unfortunately the lender does not provide title insurance but requires that the borrower purchase it in order for the loan to be made. In some states, it is customary for the seller to buy the owner's policy title insurance on behalf of the buyer.
- 11:22** [Comment From waterfront]
what about propey borders and previous surveys done does it protect that?
- 11:24** **Tim Dwyer-ENTITLE DIRECT:** Property borders and surveys may provide you with a sense of confidence that the physical parameters of your property are well established. Title insurance goes beyond this by ensuring that numerous other potential claims are covered. These claims could include forgeries,

liens, missing heirs, etc.

11:24 [Comment From Mike W]
How is it possible Entitle can offer a 35 % discount on title insurance I thought this was regulated ?

11:27 **Tim Dwyer-ENTITLE DIRECT:** entitledirect.com is able to sell title insurance at 35% less than competitors because we have filed lower premium rates with regulators in every state in which we operate.

11:29 [Comment From John]
What else do I need to have, aside from title insurance?

11:34 **Tim Dwyer-ENTITLE DIRECT:** A title or escrow professional that you choose will guide you through the closing process. Examples of some of the things you'll need are homeowner's insurance, property tax escrows, and possibly an appraisal to name a few. Fees for items such as these are also disclosed in a document called the HUD-1; to learn more about the HUD-1, you can review this link: https://www.entitledirect.com/understanding_hud_settlement

11:35 [Comment From waterfront]
Does a short sale or foreclosure change the landscape for title ins or is everything the same?

11:36 **Tim Dwyer-ENTITLE DIRECT:** The title insurance provider that you choose will be able to provide title insurance in the case of either a short sale or a foreclosure.

11:36 [Comment From Gary]
Hey Tim. If I shop around like you said, what's my lawyer gonna say when I tell him I'm getting my own insurance? He provided it when I refinanced the last time.

11:39 **Tim Dwyer-ENTITLE DIRECT:** Nationwide, the commission that title agents collect ranges from 60%-90% of the title insurance premium; on average, the commission is 80%. In several states, the lawyer involved in the transaction is the title agent; he or she therefore may not embrace the notion of their client buying title insurance directly from the title insurance company.

11:40 [Comment From hockeyfan]
When you refinance, what happens to the money in escrow in the old loan? Is it returned to us after the refinancing goes through?

11:41 **Tim Dwyer-ENTITLE DIRECT:** Yes, it should be returned to you; if the new lender and the old lender are the same they may allow you to roll the old escrows into the new escrows.

11:43 [Comment From Fjs]
A friend of mine is selling her condo and just found out she has a title problem and no insurance - She has a mortgage so wouldn't it have been required by the lender (BOA)?

11:43 **Tim Dwyer-ENTITLE DIRECT:** Interesting question; we're happy to help you but we need more detail. Please email us directly at specialistcenter@entitledirect.com so we can give this the attention it deserves.

11:44 [Comment From Guest]
Can you explain the closing process and what to expect?

11:44 **Tim Dwyer-ENTITLE DIRECT:** In the interest of time, please see prior response to waterfront above and refer to a site like mtgprofessor.com.

11:45 [Comment From Linda]
I'm buying a brand new home. Do I still need title insurance since no one's lived there before?

11:48 **Tim Dwyer-ENTITLE DIRECT:** The purchase of a newly built home requires title insurance just like the purchase of an existing home; a new home may have similar title defects to an existing home. These defects may include mechanics/contractors liens, forgeries, sub-division property issues, etc.

11:48 [Comment From Marcella]
So you say that title insurance protects the lender. What does it do for me?

11:51 Tim Dwyer-ENTITLE DIRECT: This might get a little technical but great question. Title insurance includes both a lender's policy and an owner's policy. The lender's policy protects against title defects that may adversely impact the lender's loan. An owner's policy protects the owner's equity from the same defects. While the lender's policy is required, it often does not cost much more to include both sets of coverage to obtain maximum protection.

11:51 [Comment From me]
Do you receive a hard copy of the Title Insurance Policy at the mortgage closing or is it sent to you after the closing?

11:52 Tim Dwyer-ENTITLE DIRECT: Typically the title insurance policy is sent to the homeowner after the closing documents are properly recorded.

11:52 [Comment From Charlie]
Do you work with particular lenders; are you limited to certain mortgage lenders? And don't I need an attorney to do the closing?

11:55 Tim Dwyer-ENTITLE DIRECT: EnTitle Insurance Company (which owns ENTITLE DIRECT) works with all major national and local lenders. In a handful of states, an attorney may be required due to state law; please call our Specialist Center at 1-877-936-8485 to discuss further your state's requirements.

11:55 [Comment From PRM]
Can I work with your company or do you only work directly with home owners? I'm a licensed broker.

11:57 Tim Dwyer-ENTITLE DIRECT: ENTITLE DIRECT works directly with hundreds of mortgage brokers and realtors around the country that wish to save their consumers significant money. Please see our ads in Origination News, Scottsman Guide, and REALTOR magazine, or visit us at <http://www.entitledirect.com/agent>.

11:57 [Comment From Neena]
I'm shocked by those commissions the lawyers are getting on these closings. What a racket! What can a homeowner do to protect themselves?

11:58 Tim Dwyer-ENTITLE DIRECT: The GAO, HUD, numerous state insurance regulators and consumer advocates are unified in their advice; shop around!

11:59 [Comment From JJ]
If I refinance with the same bank on the same property, why do I need to repurchase title insurance? Surely the risk profile doesn't change.

12:00 Tim Dwyer-ENTITLE DIRECT: This is a very good question and commonly asked. Unfortunately, title insurance is required in a refinance even with the same lender - here's why: Title insurance actually protects the lender's loan, not so much the lender. That old loan may have been sold in the secondary market; the new loan requires its own title insurance so that it too can be sold in the secondary market.

12:03 Tim Dwyer-ENTITLE DIRECT: Thank you all for your excellent questions!

12:05 Tim Dwyer-ENTITLE DIRECT: The chat has concluded but we are always available to answer your questions via the following channels:

Specialist Center: specialistcenter@entitledirect.com or 1-877-936-8485
Twitter: <http://twitter.com/entitledirect>