



Your clients are paying cash for the home. They're proud and happy to be able to do this and never again face a mortgage payment or pay interest on a mortgage loan. As their agent, you're happy, too, because an all-cash deal will likely close faster, leading to a quicker commission payment.

Your clients are prepared to pay the closing costs and a handful of other fees, but balk at buying title insurance. Why do they need it, they ask?

Real estate history is full of cases, where unprotected all-cash buyers have been burned, for example the man who bought a vacation home from a bank that had obtained it through foreclosure. But the wrong person had been served the foreclosure notice, making the foreclosure null and void and voiding the sale as well, leaving the hapless cash buyer with nothing but empty pockets.

Or the couple who paid far less than the asking price because the owner wanted a quick sale, only to learn too late that there were liens against the property that the seller had failed to disclose. Once the couple became the recorded owners, they were responsible for the debts.

In cases like these, an Owner's Title Insurance Policy would have provided protection. The one-time fee they pay for an owner's policy will protect them against a host of potential threats to ownership for as long as they live in the home.

Whether you are paying cash for the home or not, you tell your buyers, when you purchase a title policy, the insurance company becomes liable for most claims against ownership.

Your policy will have you covered against forgery, misrepresentation, fraud in document execution. It protects against encroachments, mechanics liens, or property line issues, or even if a missing heir of the previous owner turns up to claim a stake in the property. That owner's title policy, you suggest, is a fair price to pay in exchange for peace of mind.

As a trusted advisor, you know it's your duty to help clients make good decisions, and because they trust you, they will likely take your advice and you can all sleep a little bit better. That well-worn axiom, "an ounce of prevention is worth a pound of cure," is as true today as it was when Ben Franklin first said it nearly 300 years ago.