

## **Title Insurance: Frequently Asked Questions**

### **What is in a name?**

When a title company seeks to uncover matters affecting title to real property, the answer is "quite a bit."

Statements of Information provide title companies with the information they need to distinguish the buyers and sellers of real property from others with similar names. After identifying the true buyers and sellers, title companies may disregard the judgments, liens or other matters on the public record under similar names.

To help you better understand this sensitive subject, the California Land Title Association has answered some of the questions most commonly asked about Statements of Information.

### **● Q: What is a Statement of Information?**

**A:** A Statement of Information is a form routinely requested from the buyer, seller and borrower in a transaction where title insurance is sought. The completed form provides the title company with information needed to adequately examine documents so as to disregard matters which do not affect the property to be insured, matters which actually apply to some other person.

### **● Q: What does a Statement of Information do?**

**A:** Every day documents affecting real property - liens, court decrees, bankruptcies - are recorded. Whenever a title company uncovers a recorded document in which the name is the same or similar to that of the buyer, seller or borrower in a title transaction, the title company must ask, "Does this document affect the parties we are insuring?" Because, if it does, it affects title to the property and would, therefore, be listed as an exception from coverage under the title policy. A properly completed Statement of Information will allow the title company to differentiate between parties with the same or similar names when searching documents recorded by name. This protects all parties involved and allows the title company to competently carry out its duties without unnecessary delay.

### **● Q: What types of information are requested in a Statement of Information?**

**A:** The information requested is personal in nature, but not unnecessarily so. The information requested is essential to avoid delays in closing the transaction. You, and your spouse, if you are married, will be asked to provide full name, social security number, year of birth, birthplace, and information on citizenship. If you are married, you will be asked the date and place of your marriage. Residence and employment information will be requested, as will information regarding previous marriages if you are divorced.

● **Q: Will the information I supply be kept confidential?**

A: The information you supply is completely confidential and only for title company use in completing the search of records necessary before a policy of title insurance can be issued.

● **Q: What happens if a buyer, seller or borrower fails to provide the requested Statement of Information?**

A: At best, failure to provide the requested Statement of Information will hinder the search and examination capabilities of the title company, causing delay in the production of your title policy. At worst, failure to provide the information requested could prohibit the close of your escrow. Without a Statement of Information, it would be necessary for the title company to list as exceptions from coverage judgments, liens or other matters which may affect the property to be insured. Such exceptions would be unacceptable to most lenders, whose interest must also be insured.

Conclusion: Title companies make every attempt in issuing a policy of title insurance to identify known risks affecting your property and to efficiently and correctly transfer title so as to protect your interests as a homebuyer.

By properly completing a Statement of Information, you allow the title company to provide the service you need with the assurance of confidentiality.

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