

Real Estate News

On-Line Title Insurance Could Save You Money

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When you buy or refinance property, you are required to purchase an insurance policy that protects the buyer or lender from any financial losses due to defects in the title. The title company searches back through the records and reviews all the previous owners (the “chain of title”), thereby insuring you against such things as a forged deed. Usually, the person paying for the insurance gets to choose the title company. In the case of a purchase, that is usually the buyer, and in the case of a refinance, that is usually the borrower. Since most of us rarely have the need of a title insurer, we’re happy to use the company recommended by our realtor or lender. But you may want to reconsider that.

Entitle Direct Insurance has just made title insurance available over the Internet. They are presently only offering services in Alabama, Arkansas, California, Delaware, Florida, Illinois, Louisiana, Massachusetts, Maryland, Mississippi, Pennsylvania, South Carolina and Virginia. But they expect to be available in almost all states by the end of this year. They claim to offer a 35% savings over “brick and mortar” title companies.

They also offer a “Control Panel” service, free to all borrowers, whether they purchase title policies from EDI or not. The core of this service is an online folder that contains all information relevant to the transaction, and which is continually updated as the loan moves toward closing. EDI assigns a closing specialist to each borrower who monitors the entire process, and will alert the borrower to any tasks that need to be completed before the closing.

If you need title insurance, it’s worth comparing EDI’s pricing with your local title insurance company. Whether or not you buy EDI’s insurance, you may want to use the Control Panel. One word of caution – in order for the Control Panel to be effective, you need to make sure other parties to the transaction – Realtors, attorneys, lenders – agree to download their documentation into your file. Otherwise the information you see in the Control Panel will be incomplete and out of date.

Though the first of its kind, it’s just a matter of time before other title companies offer similar online products, thereby driving the prices down even further. Meanwhile, it makes sense to at least check EDI’s pricing before hiring a title company.