

REFINANCING YOUR HOME

WHY DO I NEED A NEW LENDER'S POLICY?

The original lender's title insurance policy protects the lender's interest on the original loan. With the new refinanced loan, the original loan will be paid off, and the lender will require protection of its interest for the new loan. From the lender's standpoint, a refinanced loan is no different than any other mortgage loan. In addition, if the loan is sold in the secondary market, investors like Fannie Mae will require the security of title insurance on the property.

The good news is the consumer can receive a discount on lender's policies if you have your Owners Title Policy from when you first purchased the property. If your refinanced loan is with the same lender as your original loan, your lender may provide additional discounts. The Title Company will be happy to point out ways you can save on your refinance loan.

DIDN'T THE ORIGINAL TITLE SEARCH RESOLVE OWNERSHIP ISSUES?

The lender needs the title examined again to confirm that no liens or judgments, such as liens filed by contractors, child support liens or other legal judgments, have been recorded against you or your property. Confirming the absence of these items and other title defects protects the lender's security interest in your property.

DO I ALSO NEED TO GET A NEW OWNER'S TITLE POLICY?

You will be glad to know that your original owner's title insurance policy protects your ownership rights for as long as you and your heirs own your property. So there is no need to get another owner's policy on a refinance loan.

