



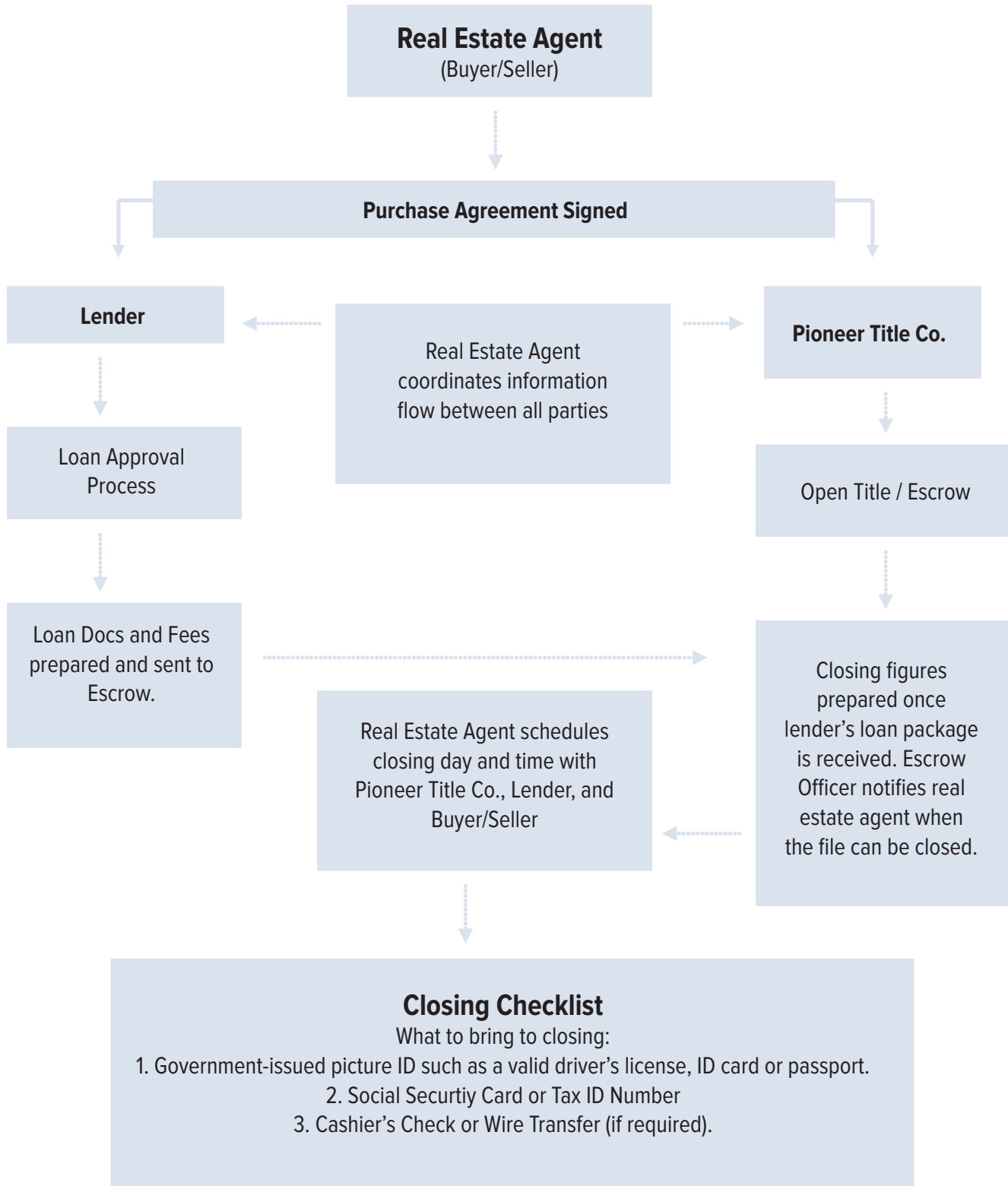
BUYING A HOME

An overview of the home-buying process from start to finish.



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Purchase and Sale Agreement Flowchart



What is Title Insurance?

Owner's Title Insurance is a "contract" between the company (an Underwriter, which may be represented by an Agent) and the Insured Owner (Buyer). This contract guarantees to the Buyer that they are owners of the land described, subject to those exceptions set out in the contract and the "conditions, stipulations and exclusions" which are stated in the "fine print" on the cover pages. This contract, called a "TITLE POLICY", comes in three degrees of protection for the Insured, which are described briefly below.

WHY DO I NEED TITLE INSURANCE?

This Policy provides the simplest and best way for you to be comfortable with your ownership of the land and/or home you are buying and knowledgeable about the easements, restrictions and monetary obligations, attached to the land. The policy issuing "underwriters" are guaranteeing your ownership of the land with the state required multi-million dollar reserves.

The preliminary Title Commitment (part of the policy process) will provide for you a way to know, before closing, the "condition of title" of the land you are buying. Absent this information you may be making one of your largest lifetime investments without a "complete" knowledge of the restrictions, easements, rights or covenants affecting or responsibilities (tax obligations, city, irrigation and/or homeowner's assessments and loan payments) of your ownership of this land.

ARE THERE DIFFERENT LEVELS OF PROTECTION?

YES! A Standard Coverage title policy is a search of the recorded documents and tax records ONLY and will not provide protection for matters that cannot be found in the County Recorder's and Treasurer's Office. These involve matters of possession and other rights, unrecorded easements and unrecorded lien rights by parties supplying work or materials to improve the land.

An Expanded Endorsement to that Standard Owner's title policy will extend protection for any unrecorded material or labor liens, as well as provide protection for forced removal of your house, if it violates restrictions or zoning regulations or encroaches on an easement or other land.

An Extended Coverage title policy extends protection to the insured for those possessory or other rights, unrecorded easements and material or labor liens, which is not provided in the Standard Coverage form. This policy will NOT provided protection for zoning matters or violations of any restrictions or any other matters not specifically setout in the policy.

WHY SHOULD I USE PIONEER TITLE COMPANY?

Pioneer Title has consistently been the market leader in Idaho and Eastern Washington for over 60 years. We want to put that expertise to work for you. Our mission is to provide consistent superior, personal service for our customers. With our philosophy of "Going Beyond," Pioneer Title Company plays a vital role in insuring the American Dream.

Policy Types

There are two types of policies - owner and lender. Just as lenders require fire insurance and other types of insurance coverage to protect their investment, nearly all institutional lenders also require title insurance [a loan policy] to protect their interest in the collateral of loans secured by real estate. A loan policy provides no coverage or benefit for the buyer/owner and so the decision to purchase an owner policy is independent of the lender's decision to require a loan policy.

Title Policy Comparison

	Standard	Extended	ALTA Homeowner's Policy
1. Someone else owns an interest in your title	X	X	X
2. A document is not properly signed	X	X	X
3. Forgeries, fraud, duress	X	X	X
4. Defective recording of any document	X	X	X
5. There are restrictive covenants	X	X	X
6. There is a lien on your title because there is:			
• A Deed of Trust	X	X	X
• A judgment, tax, or special assessment	X	X	X
• A charge by the homeowner's association	X	X	X
7. Title is unmarketable	X	X	X
8. Right of legal access	X	X	X
9. Mechanic's lien protection		X	X
10. Parties in possession		X	X
11. Unrecorded easements, liens or encumbrances		X	X
12. Rights under unrecorded leases		X	X
13. Unpatented mining claims		X	X
14. Encroachments, conflicts in boundary lines		X	X
15. Forced removal of a structure due to:			
• Extends onto other land or on to an easement			X
• Violates a restriction in Schedule B			X
• Violates an existing zoning law*			X
16. Can't use land for SFD because the use violates a restriction in Schedule B or a zoning ordinance			X
17. Pays rent for substitute land and facilities			X
18. Unrecorded lien by a homeowner's association			X
19. Plain language			X
20. Building permit violations			X
21. Compliance with Subdivision Map Act*			X
22. Restrictive covenant violations			X
23. Post-policy forgery			X
24. Post-policy encroachment			X
25. Post-policy damage from minerals or water extraction			X
26. Post-policy living trust coverage			X
27. Enhanced access (vehicular and pedestrian)			X
28. Map not consistent with legal description			X
29. Post-policy automatic increase in value up to 150%			X
30. Post-policy adverse possession			X
31. Post-policy cloud on title			X
32. Post-policy prescriptive easement			X
33. Covenant violation resulting in aversion			X
34. Boundary walls and fence encroachment*			X
35. Enhanced marketability			X
36. Violations of building setbacks			X
37. Discriminatory covenants			X

*Subject to deductible and maximum indemnity liability which may be less than the policy amount. There are two types of policies –owner's and lender's. Just as lenders require fire insurance and other types of insurance coverage to protect their investment, nearly all institutional lenders also require title insurance (a loan policy) to protect their interest in the collateral of loans secured by real estate. A loan policy provides no coverage or benefit for the buyer/owner and so the decision to purchase an owner policy is independent of the lender's decision to require a loan policy.

What is Escrow?

- Escrow is a neutral third-party that assists a buyer and seller in a real estate transaction.
- Escrow is a process, not a location. Real estate agents and lenders give escrow officers the written instructions to facilitate a transaction.
- The escrow process is typically 30 days or the length a buyer and seller agree upon.
- Escrow officers identify and coordinate who will be paid with proceeds of a sale and who will be providing the money to purchase the property.
- Escrow officers do not give opinion, counsel, or instruct buyers, sellers, real estate agents, or lenders on legal matters or details of the sale. This does not apply if the sale compromises the title and escrow company, state, or federal law.
- Keys are not given at the closing table. The purchasing bank must fund the transaction and documents must be recorded at the County recorder prior to keys being dispersed.

What is Title Insurance?

- Title insurance is coverage that indemnifies the owner of real estate in the event that his or her clear ownership of property is challenged by the discovery of faults in title (e.g. mechanics lien).
- Title insurance ensures there are no strings attached when buying the American dream.
- The Idaho Department of Insurance regulates title insurance rates; title companies do not unilaterally set their own rates. Thusly, title companies basically have the same rates that are filed with the Department of Insurance.
- Policy rates paid are determined by the purchase price of the specific property being purchased.
- You will only pay one time for your title insurance policy at the point-of-purchase. Your title insurance policy is good for the length of your ownership of the property.