



### **Property Improvement Loan Insurance**

Now it's easier than ever to qualify for a property improvement loan. The Federal Housing Administration (FHA) insured Title 1 loans are available for up to \$25,000 for a single-family residence and up to \$60,000 for a multi-family structure.

Those eligible for a Title 1 loan include the owner of the property, a person who has a long-term lease on the property (the lease has to extend at least six months beyond the date the loan must be repaid), or a person purchasing the property under a land installment grant.

Funds from a Title 1 fixed rate loan may be used for any permanent improvement that will make the property more accessible for a disabled person or will make the property more livable and useful. The loan may also be used for fire safety equipment.

If you're making the improvements yourself, you can use the loan to pay for materials. Or you can use the loan to pay for a contractor's materials and labor. It can also pay for architectural and engineering costs, building permit fees, title examination, appraisal fees, and inspection fees. Funds from a Title 1 loan cannot pay for luxury items, such as a swimming pool or hot tub, or for debt consolidation.

A Title 1 loan is just one of the property improvement loan programs available. We'd be glad to help you explore all your loan options. We look forward to helping you.

### **Protecting Your Home with Title Insurance**



Purchasing a home is likely the largest investment you will ever make. So before you close, you need to be sure that that no one else can claim the property.

A **title company** ensures that your new property is free of encumbrances and other legal obstacles.

You pay the title company a single premium which includes the cost of verifying clear title and covers you in case some fault is later discovered in the title.

The title insurance company searches the title history of the property. The title company can almost always find any title problems that may arise and clear up these problems before you close on the property.

Because Real Estate Law is so complicated, you need an expert to make sure that all previous transactions have been correct, so you don't end up with legal problems or a

problem with the title to your property. Your owner's policy will describe the property and outline the limitations on your ownership. It will also set forth the title company's responsibilities should any claim covered by the policy terms arise. Title insurance usually covers:

- **Contested title** — Someone, usually a previous owner or occupant, claims they still own the property or have not given up their claim. If this happens, the title insurance company will defend the title at no expense to you.
- **Defective title** — "Defective title" covers any number of problems with the title to your home. It can even include a "contested title". Other examples of title defects include problems with legal access to the property, easements that make the property less usable, unusable, or unsaleable. Any number of other complex problems define "Defective title." The title insurance policy will protect you from these errors if the title company misses them.