



CONGRATULATIONS ON THE PURCHASE OF YOUR TAX FORECLOSED PROPERTY.

Historically, obtaining title insurance on tax foreclosed properties has been difficult, primarily because of the questions surrounding the marketability of title after a tax foreclosure.

First American Title has created a team that has the experience and expertise necessary to insure tax foreclosed properties. The processes put in place will allow First American Title to insure up to 80% of tax foreclosed property orders received throughout the State of Michigan.



First American Title™

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TITLE INSURANCE FOR TAX SALE PROPERTIES INVESTORS





What is title insurance and why do I need it?

Title insurance is an insurance policy-- protecting against loss should the condition of title to land be other than as insured. Title insurance is paid once, has no policy deductible and provides coverage as long as you or your heirs own the property.

When you buy a property, you expect to enjoy certain benefits from ownership. For example, you expect to be able to occupy and use the property as you wish, to be free from debts or obligations not created or agreed to by you, and to be able to freely sell or pledge your property as security for a loan. Title insurance is designed to ensure that you receive the quality of title to your property that you intended to purchase.

When you mortgage your property, your lender needs assurance the property is free from prior interests or liens which might impair the value of the mortgage. Title insurance provides an important assurance to lenders, specifically, that the title to the property is not impaired and the lenders mortgage has priority over any junior liens.

Similarly, many property owners buy a title insurance policy to insure their ownership of the property against title defects covered by the policy. A one-time premium, at a fraction of the cost of the property, provides coverage against certain financial losses related to defects in the property's title.

What is title process for obtaining title insurance on tax reverted properties?

In order to determine insurability of a tax foreclosed property we must confirm that all of the parties who had an interest in the property prior to the foreclosure received notice of the tax foreclosure at the addresses recorded in the county records.

There are two important steps that must occur to determine that satisfactory notice was given:

- Preparation and review of the 40 year chain of title to determine interested parties.
- Analysis of the County's foreclosure file to determine the quality of notice.

What are the costs?

The following fees must be paid prior to analyzing your tax foreclosed property:

Residential: \$600.00 | **Commercial:** \$700.00

Fees quoted above do not include closing costs or title insurance premiums. There is no guarantee First American will be in a position to insure title to the property after our analysis. We may recommend further action in order to insure.

Should a quiet title action be necessary, First American Title will credit \$250 toward a policy on a residential property and \$350 toward a policy for commercial property for policies issued through the originating office

What if I am not selling the property, do I still need title insurance?

Yes, knowing that you have marketable title to your property can provide peace of mind and obtaining a title insurance policy is relatively inexpensive, provides you with the coverage necessary to protect your investment, and can facilitate the sale of a property.

Why Choose First American Title?

- The ability to insure most Michigan tax foreclosure properties without quiet title actions.
- First American's experience in the title insurance industry dates back over 120 years
- Experienced team with unparalleled expertise to insure tax foreclosed properties.
- Working relationships with the municipalities, counties, and land banks throughout the State of Michigan
- Branches in over 35 counties throughout the State of Michigan to meet all of your title insurance and closing needs.
- The financial stability to protect the title to your current and future real estate transactions.