



How Errors in Public Records Can Affect Your Home's Title

Although the property you just purchased is new to you, it has a history, and sometimes, these histories can include unwanted baggage. During a real estate transaction's closing process, a title search on the property is completed to determine whether there are title defects that can have an effect on the purchase.

One common title issue buyers face when completing a title search is an error in public records. Humans aren't error-free, and a clerical or filing error regarding your property can have an effect on the deed and result in costs you may not have expected.

A title search is performed in order to determine if your home's title is clear, as well as to find any mistakes that could have been made in public records.

An example of an error that could be filed in public records is a description of the property that may appear to be accurate but isn't, like the square footage of the home. Since banks and lenders will only offer about 80-to-90 percent of a home's appraised value, if the home's actual square footage is different than what is listed on the documents, buyers may run

into an issue with receiving the needed loan amount. As a result, buyers may be unable to obtain the loan and therefore unable to purchase the property.

Improperly filed legal documents, pending legal action or unreleased mortgages mishandled by public records can result in additional headaches for the buyers unless these issues are resolved.

HOW TO AVOID ERRORS IN PUBLIC RECORDS

Completely avoiding errors in public records is nearly impossible because buyers have no control over a property's past or a mistake that could have been made by those filing and recording these documents. However, an Owner's Policy of title insurance will help protect your ownership rights from errors and defects found in public records. This insurance may cover both the legal costs to defend your interests as well as certain losses sustained as a result of a covered title defect.

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