

# Alternative Title Products



**Title insurance policies protect buyers and lenders against a wide range of liens and claims arising from the actions of prior owners.**

The purchase of a home is often a family's single greatest investment. **Alternative title products are currently being marketed as a cost cutting path to home ownership.** Trusted real estate professionals should be aware of the risks of such products.

**Title insurance offers greater protections than alternative title products.** Title insurance protections not provided by alternative title products include the validity and enforceability of the mortgage and off-record liens such as HOA assessments.

**Alternative title products, such as Attorney Opinion Letters, are being marketed by third parties, not the parties responsible for fulfilling the promises.** The actual products should be reviewed before relying on them.

**Alternative title products are not available to owners.** If a product is issued to a lender in a purchase transaction:

- **The buyer will receive no assistance** in defending claims for liens, taxes or encroachments made against the buyer
- The buyer's investment is **not protected**
- The buyer's increasing equity from mortgage principal payments is **not protected**
- The lender must complete a **foreclosure against the borrower** to file a claim on an alternative title product
- The lender may have incentives to seek a **deficiency judgment against the borrower** to demonstrate a loss to the insurer
- **The buyer will be responsible** to the lender for any matters not covered by the reduced coverages and if the insurer's reserves are inadequate

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