

LAWYERS LINK

The Big Picture:

HOW THE TITLE INDUSTRY PROTECTS THE INTEGRITY OF THE U.S. PROPERTY SYSTEM



The Connection Between Public Records and Title Professionals

The U.S. property system is the legal and economic framework that establishes, records, protects, and transfers ownership of land and real estate. It is built on recorded property rights. County recorder

and clerk offices maintain millions of documents, including deeds, mortgages, easements, judgments, liens, and other instruments affecting real property ownership. The ability to buy, sell, finance, and invest in real estate depends on the accuracy and reliability of these ownership records.

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Lawyers Title®

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However, public records alone cannot guarantee that ownership is free from defects. Recording offices generally accept and archive documents but do not verify their accuracy, validity, or authenticity. As a result, errors, omissions, undisclosed interests, and fraudulent filings can remain hidden within the public record.

This is where the title industry plays a critical role. Title professionals examine historical property records, verify ownership, identify and resolve title defects, liens, and other encumbrances, and help uncover potential fraud. Their work helps ensure that property rights are accurately transferred and protected, providing confidence to buyers, sellers, and lenders alike.

By reducing uncertainty and mitigating risk in real estate transactions, the title industry serves as a cornerstone of the nation's property rights framework, helping preserve the integrity, reliability, and trustworthiness of the U.S. property system.

Protecting the Integrity of Ownership Records

Before a transaction closes, title professionals conduct an extensive title search and examination, reviewing property records that may span decades. They identify and resolve issues that could affect ownership or marketability before a transaction closes. This process helps ensure that buyers, sellers, and lenders can proceed with confidence, and that ownership rights are properly established and protected.

If a title defect is discovered after the purchase, title insurance helps protect the property owner by covering certain legal expenses and financial losses associated with covered claims. This protection continues for as long as the insured or their heirs have an interest in the property, providing confidence that ownership rights remain secure.

A Preventative Approach

A common misconception is that title insurance exists primarily to pay claims after a problem occurs. In reality, much of the value delivered by the title industry comes from preventing claims.

According to a 2026 study by the American Land Title Association (ALTA), more than 80% of purchase transactions require the review of at least 11 documents, and nearly 60% require three to five title issues to be resolved before closing. These findings highlight the extensive research and problem-solving performed by title professionals to ensure buyers receive clear and insurable ownership rights.

A Critical Defense Against Fraud

As fraud schemes become more sophisticated, the role of title professionals has become even more important. Deed fraud, seller impersonation, forged signatures, identity theft, and wire fraud continue to present threats to property owners and real estate transactions.

Technology can help identify potential risks, but experienced title professionals provide the judgment needed to investigate unusual circumstances, verify information, and coordinate solutions. Their ability to recognize red flags and intervene before a fraudulent transaction closes helps protect consumers, lenders, agents, and the broader real estate market.



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Why This Matters to Real Estate Agents

Real estate agents are often the visible face of a transaction, but title professionals are among the most important partners working behind the scenes. When title issues arise, an experienced title team can help keep transactions on track by identifying risks early, resolve defects efficiently, and coordinate with all parties involved.

For agents, this means fewer surprises, smoother closings, and greater protection for their clients.

Choosing the right title partner is about more than completing a transaction. It is about working with professionals who possess the specialized knowledge to uncover hidden risks, resolve title defects, navigate complex ownership issues, and help ensure that property rights are accurately protected and transferred.

This information does not and is not intended to constitute legal advice; instead, all information is for general information purposes only.



MONTHLY INDUSTRY TERMS

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Amortization

Reduction of the principal of a debt in regular, periodic installments.

Discount Point

An additional charge made by a lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to one percent.

Impact Fee

An impact fee is a fee that is imposed by a local government within the United States on a new or proposed development project to pay for all or a portion of the costs of providing public services to the new development.

