

Don't Forget THE INTERIM BINDER



From time to time we like to remind our clients about the Interim Binder from Lawyers Title. The Interim Binder is not a policy of title insurance but rather a contract to issue a policy at a later date. If you have a homebuyer who is planning on reselling his/her property within the next two years, then purchasing an Interim Binder before the close of escrow could provide him/her with a substantial savings of title insurance fees. The following is a summary of initial costs with an example of your homebuyers' projected savings.

Example of Savings

ORIGINAL SALES PRICE \$400,000

CLTA Owner's Policy - Title Charge Paid by Seller	\$1454.00
Binder - Paid by Buyer (10%)	+ 145.40
Total Cost in Escrow Now	\$1599.40

RESALE PRICE \$475,000

Homeowner's Policy (Title Charge for \$475,000)	\$1773.00
Less Title Charge on Original Sale (\$400,000)	-1599.00
Total Amount to Upgrade Policy From \$400k to \$475k	\$ 174.00

Original Cost to the Buyer (10%)	\$145.40
Resale Costs	+174.00
Total Cost to Buyer	\$319.40

Usual Short Term Fee for \$475,000	\$1451.00
Binder Resale Costs	- 319.40
Total Savings	\$1131.60

