

Don't Forget the Binder



From time to time we like to remind our clients about the Interim Binder from Lawyers Title Company.

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 home buyer 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 home buyers' projected savings. The costs below are based on Lawyers Title Company's ALTA Homeowners Policy Rate. Please consult with your Lawyers Title Sales Representative for a quote specific to your transaction and title policy to be purchased.

Example of Savings

Original Sales Price \$500,000	
Owner's Policy - Title Charge Paid by Seller	\$1832.00
Binder - Paid by Buyer (10%)	+ 183.20
Total Cost in Escrow Now	\$2015.20
Resale Price \$700,000	
Owner's Policy (Title Charge for \$700,000)	\$2267.00
Less Title Charge on Original Sale (\$500,000)	<u>-1832.00</u>
Total Amount to Upgrade Policy From \$500k to \$700k	\$ 435.00
Original Cost to the Buyer (10%)	\$183.20
Resale Costs	<u>+435.00</u>
Total Cost to Buyer	\$618.20
Usual Short Term Fee for \$700,000	\$1649.00
Binder Resale Costs	<u>- 618.20</u>
Total Savings	\$ 1030.80

