

“Florida Home Sellers Advised to Order Title Searches Before Listing”

By: Mike Dupre (2/22/16)

Florida home sellers and real estate agents are now advised to obtain title searches prior to listing homes for sale.

The fallout from the foreclosure crisis is creating the need for buyers, sellers, lenders, agents, and others to adopt new, and safer processes and practices. One of the most significant issues to arise and sabotage real estate transactions has been when it comes to title. What’s happening, and how can sellers and agents save themselves months and thousands of dollars by preempting challenges?

The Post 2008 Title Minefield

The foreclosure crisis may appear to be mostly over, but the damage is not. Liens have been piled up on properties, fraudsters have filed fake paperwork to try and steal the title to many homes, and the massive multi-billion dollar robo-signing scandal has flawed and clouded the title of hundreds of thousands of U.S. homes. That’s on top of all the typical issues which impact a good number of the 5 million or so homes sold every year in the US.

Most individuals are now keenly aware that they must obtain title insurance when buying property in Florida. Thorough title searches and insurance ensure that buyers obtain properties with clean title, that they will remain secure while they own the property, and are able to sell properties in the future.

What You Don’t Know Can Bankrupt You

Lately we have seen several properties which have gone under contract, only to discover significant title issues. One seller spent \$80k+ to get the house ready to be sold, and it probably can’t be for years. Had a full title search been done right away, a lot of money could have been saved.

Title flaws and clouds can often be solved with the help of a good title company and real estate attorney. In some cases liens and disagreements can be settled very profitably. But, this can take time. In many cases it isn’t just about settling debt on the property, in some cases a property simply cannot be sold, borrowed against, or insured unless these items are fixed.

A sale or refinance simply may not be possible, unless these issues are spotted early, by a proactive and experienced title expert who knows what to look for, and how to fix it fast.

Preempting Issues

The only way to discover many of these issues is with a thorough title search. All too often that isn't ordered until after a contract is signed, and a mortgage loan is in process. Finding out that your closing can't happen a couple days before the closing can be financially catastrophic, never mind all the wasted time you'll never get back.

Individual Florida real estate sellers and their agents can preempt these issues by requesting full title searches in advance. That means before remodeling work is done, and properties are listed on the MLS for sale.

When everyone is better prepared, everyone wins.