



WHAT IS A TITLE COMMITMENT?

The Commitment for Title Insurance is issued only as a preliminary instrument in instances in which the title company has a bonafide order for the policy or policies of title insurance specified therein, to be issued within ninety (90) days from the effective date of the Commitment. No charge is made by any title company for the issuance of the Commitment.

Basically, the Commitment for Title Insurance informs those to be insured by a title policy of the condition of the property involved. In addition, it informs the future insured(s) of any requirements that must be met before a policy will be issued. The Seller is required to furnish the Commitment to the Purchaser. If a loan is part of the transaction, the Lender will require a Commitment at some time during the procession of the loan.

All Commitment forms, furnished by Underwriters, are exactly the same as to content. The only difference can be in the spacing of the items. The title industry is regulated closely by the Rules, Rates and Forms for the writing of Title Insurance in the State of Texas.

COMMITMENT FOR TITLE INSURANCE CONSISTS OF FOUR (4) SCHEDULES:

Schedule A: sets out the effective date of the commitment, the names of the insured(s), the sales price, loan amount, the estate or interest in the land (fee simple, easement estate, leasehold estate, etc.), the name of the person(s) in title at the date of the commitment, and the legal description of the property under consideration.

Schedule B: informs the insured(s) of everything of record that affects the property, such as restrictions, liens, oil and gas reservations, easements, and so on. It also guarantees any ad valorem taxes are paid current through a designated year and in general, limits the liability of the policy(ies) to be issued.

Schedule C: informs the insured(s) of any requirements that must be met before a policy(ies) will be issued.

Schedule D: is a disclosure of the Officers of the Title Company and Underwriter and also discloses the premiums to be charged for the policy(ies) and the beneficiary(ies) of such premiums, in accordance with the State Rules and Regulations.

