

UNDERSTANDING THE INTERIM BINDER



If you are working with an investor or client who intends to sell within the next two to three years, you should suggest that they request an **Interim Binder from First American Title** during escrow – **it can save your client hundreds of dollars in title insurance premiums!**

HERE'S HOW AN INTERIM BINDER WORKS

Prior to the close of Escrow, the buyer requests an Interim Binder for an additional premium of 10% of the applicable owner's policy. This binder would be in effect for two years and can be extended for a third year for an additional 10%.

EXAMPLE:

BINDER PURCHASE

Purchase Price **\$300,000**

Eagle Rate **\$1,089**

Buyers Cost for Binder **\$108.90**

BINDER USE

Sale Price **\$400,000**

Eagle Rate without Binder **\$1,285**

Less Rate on Initial Policy **\$1,089**

Cost for Owner's Policy with Binder **\$196.00**

Total cost for Binder purchase and use **\$304.90**

→ **TOTAL SAVINGS \$980.10**

This is not a complete Schedule of Fees. All fees subject to State sales tax as applicable. Above pricing does not include recording fees, mortgage registration tax or conservation fee. As with any insurance contract, the insuring provisions express the coverage afforded by the title insurance policy and there are exceptions, exclusions and conditions to coverage that limit or narrow the coverage afforded by the policy. Also, some coverage may not be available in a particular area or transaction due to legal, regulatory, or underwriting considerations. Please contact a First American representative for further information. The services described above are typical basic services. The services provided to you may be different due to the specifics of your transaction or the location of the real property involved.

For more information on Interim Binders and specifics on how you can save your client money, call on me!



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