

# Interim Binder

As more and more people buy property for investment or speculation, the Interim Binder becomes an even more important tool. The Interim Binder is not, in itself, a policy of title insurance. However, when issued, it binds the insurer to issue a policy of title insurance within a specified period of time. By utilizing the Interim Binder, principals to a transaction can realize a substantial savings within the cost of title insurance.

## HERE'S HOW IT WORKS

COST	=	110% of Standard Owner's Policy
TIME PARAMETERS	=	Must resell within a two-year period or binder may be extended for two additional consecutive terms of 12 months each. The charge for each 12 month extension is 5% of the Standard Owner's Policy
SELLERS PAYS	=	Normal fee
BUYERS/INVESTORS PAYS	=	10% of Standard Owner's Policy

## \*EXAMPLE

Original price or liability \$1,000,000 - <b>Standard Owner's Policy</b> (paid by SELLER)	\$2,176
Buyer/Investor pays an additional 10%	<u>+ 218</u>
Total fees for Interim Binder	\$2,394
Resale price within two years \$1,200,000 ( <b>Standard Owner's Policy</b> )	\$2,376
Less the original rate on \$1,000,000	<u>-2,176</u>
Amount paid for Standard Owner's Policy minus Binder credit	\$200

If a Homeowner's Policy (HOP) is requested, add an additional 10%, \$238, for a total of \$438. The total cost to the buyer/investor is \$656. By contrast, the rate the buyer/investor would normally pay for the HOP without utilizing the Interim Binder is \$2,614.

The example above is provided for informational purposes only. Due to variables in liabilities, underwriters, and types of policies that may be issued, the pricing for your transaction may differ.

**\*TOTAL SAVINGS: \$1,958 (\$2,614 less \$656)**  
(based on a two-year binder)

**3 and 4 Year Interim Binder pricing available. Contact your Guardian Title Representative for more information.**

**Note:** Guardian Title Company automatically issues the HOP Policy for single family 1 to 4 unit properties.

The HOP Policy is the most current and comprehensive policy available by CLTA/ALTA for residential properties.

GuardianTitleCal.com

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T I T L E C O M P A N Y

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**(888) 485-3565**