

THE BINDER

SALE WITH A BINDER TO INSURE A SALE



Orange Coast Title Company

The buyer of the property who anticipates reselling it within 2-3 years can save a significant amount in title charges by purchasing a BINDER.

A BINDER is a temporary contract of insurance in which the title company agrees to issue a specified policy within a certain period of time.



Orange Coast Title Company

The BINDER must be requested before the buyer closes escrow. The fee for a BINDER is 10% of the Homeowners Policy (Sellers). This will result in a significant savings for the buyer who will later become the seller when the property is resold.



Orange Coast Title Company

Example

Property was bought at \$350,000
Buyer plans to sell within (2) years for
\$450,000



Orange Coast Title Company

\$350,000 SALES PRICE
Buyer plans to sell within (2) years for
\$450,000

- In this case the basic rate is \$1,187.00.
- The BINDER fee is \$118.70, or 10% of the basic rate. The buyer sells the property two (2) years later for \$450,000.
- The basic rate for a full title policy at that price would be \$1,373.00. The buyer now pays the difference between the two basic rates, i.e.,
 $\$1,373.00 - \$1,187.00 = \$186.00$



Orange Coast Title Company

WITH BINDER	WITHOUT BINDER	TOTAL SAVINGS
\$118.70 Initial Binder Fee		\$1,373.00 ALTA Homeowners Policy
\$186.00 Paid at Time of Resale	\$1,373.00 ALTA Homeowners Policy	\$304.70 Total Binder Fees
\$304.70 Total Binder Fees		\$1,068.30 Total Savings

Binders can save investors a substantial amount of money

Binders are only used in purchase transactions, and are not for refinances.



Orange Coast Title Company

THREE (3) YEAR BINDER

One (1) additional year can be added to the binder for an additional 10% of the basic title policy rate.

***If you would like to purchase
a Binder Policy, please
contact your sales
representative immediately
so we can mark your file.***

***Binder must be purchased
prior to close of escrow.***



Orange Coast Title Company