

# ALTA vs CLTA TITLE INSURANCE POLICIES



Investing in title insurance through Monarch Title Company gives you the peace of mind that your property rights over your new home have the best protection on the market. You work with us for our thorough coverage plans, competitive rates, and unmatched expertise. Understanding what your title insurance policy covers can be confusing, though. Monarch Title is all about educating our clients about the ins and outs of title insurance. In the Southern California market, there are two predominant types of policies - ALTA and CLTA coverage. Here's a look at what that means!

## The Cost

An ALTA (American Land Title Association) policy offers broader coverage than a CLTA (California Land Title Association) policy, and because of that, is more expensive.

## The Coverage

An ALTA policy is generally viewed as "extended coverage", while a CLTA policy is regarded as "standard coverage". CLTA protects against title issues that can be found in public records, while an ALTA policy goes a step further and covers certain defects in title that can arise from unrecorded liens and easements.

CLTA takes into account six exceptions to its title coverage, while ALTA doesn't automatically exclude protecting the lender and homebuyer from certain scenarios.

### Some circumstances NOT covered by a CLTA Policy:

- Taxes and easements not shown as existing liens or restrictions on public records
- Issues a land survey could reveal about a property, such as unrecorded interests or conflicting boundary lines
- Water rights and unknown mining claims to the land

## COVERAGE

	ALTA Standard or CLTA	ALTA   CLTA Homeowner's Policy
Someone else owns an interest in your title	✓	✓
A document is not properly signed	✓	✓
Forgery, fraud, or duress	✓	✓
Defective recording of any document	✓	✓
There are recorded restrictive covenants	✓	✓
There is a recorded lien on your title because there is:	✓	✓
a) a deed of trust	✓	✓
b) a judgment, tax, or special assessment	✓	✓
c) a charge by the homeowners' association	✓	✓
Title is unmarketable	✓	✓
Mechanics lien protection		✓
Forced removal of a structure because it:		✓
a) extends on to other land or on to an easement		✓
b) violates a restriction in Schedule B		✓
c) violates an existing zoning law*		✓
Can't use land for SFD because the use violates a restriction in Schedule B or a zoning ordinance		✓
Pays rent for substitute land or facilities		✓
Unrecorded lien by a homeowners' association		✓
Unrecorded easements, liens and encumbrances		✓
Rights under unrecorded leases		✓
Plain language		✓
Building permit violations*		✓
Compliance with zoning law or zoning regulation		✓
Restrictive covenant violations		✓
Post-policy encroachment		✓
Post-policy damage from mineral or water extractions		✓
Post-policy living trust coverage		✓
Enhanced access - vehicular and pedestrian		✓
Map not consistent with legal description		✓
Post-policy automatic increase in value up to 150%		✓
Post-policy adverse possession		✓
Post-policy cloud on title		✓
Post-policy prescriptive easement		✓
Covenant violation resulting in reversion		✓
Enhanced marketability		✓
Violations of building setbacks		✓
Discriminatory covenants		✓
Insurance coverage forever		✓
Post-policy fraud		✓

**Monarch Title will be by your side to help you determine which policy offers the best protection for your transaction!**

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