

Interim Binder

How Does the Interim Binder Work?

In today's fast-paced business world, many investors buy properties with the thought of improving them and then quickly reselling them. A product developed by the title industry with this fact in mind is the "interim binder." This product can save an investor hundreds, if not thousands of dollars.

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 PAY	=	Normal fee
BUYERS/INVESTORS PAY	=	10% of Standard Owner's Policy

EXAMPLE

Original price or liability \$1,000,000 - Standard Owner's Policy (paid by Seller)	\$2,201
Buyer/Investor pays an additional 10%	+ 221
Total fees for Interim Binder	\$2,422
Resale price within two years \$1,200,000 - Standard Owner's Policy	\$2,426
Less the original rate on \$1,000,000	- 2,201
Amount paid for Standard Owner's Policy minus Binder credit	\$225

If a Homeowner's Policy (HOP) is requested, add an additional 10%, **\$243**, for a total of **\$468**.
The total cost to the buyer/investor is **\$689**. By contrast, the rate the buyer/investor would normally pay for the HOP without utilizing the Interim Binder is **\$2,669**.

The example above is provided for information 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: \$1,980 (\$2,669 less \$689)
(based on a two-year binder)

The initial term of an Interim Binder is 2 years (730 days) from the date of the issuance of the Interim Binder. Prior to the expiration date, a binder may be extended for two additional consecutive terms of twelve (12) months for an additional charge per 12 month extension. Contact your Cypress Title Representative for more information regarding the pricing for an extension.

