

# WHAT IS AN ID AFFIDAVIT & WHY IS IT NEEDED



**AN ID AFFIDAVIT PROVIDES TITLE COMPANIES WITH THE INFORMATION THEY NEED TO DISTINGUISH THE BUYERS AND SELLERS OF REAL PROPERTY FROM OTHERS WITH SIMILAR NAMES.**

## UNDERSTANDING AN ID AFFIDAVIT

What's in a name? When a title company seeks to uncover matters affecting title to real property, the answer is, "Quite a bit."

An ID Affidavit provides title companies with the information they need to distinguish the buyers and sellers of real property from others with similar names. After identifying the true buyers and sellers, title companies may disregard the judgments, liens or other matters on the public records under similar names.

To help you better understand this sensitive subject, below are answers to common questions relating to ID Affidavits.

## WHAT IS AN ID AFFIDAVIT?

A Statement of Information is a form routinely requested from the buyer, seller and borrower in a transaction where title insurance is sought. The completed form provides the title company with information needed to adequately examine

documents so as to disregard matters which do not affect the property to be insured, matters which actually apply to some other person.

## WHAT DOES AN ID AFFIDAVIT DO?

Every day documents affecting real property – liens, court decrees, bankruptcies – are recorded. Whenever a title company uncovers a recorded document in which the name is the same or similar to that of the buyer, seller or borrower in a title transaction, the title company must ask, "Does this document affect the parties we are insuring?" Because if it does, it affects title to the property and would, therefore, be listed as an exception from coverage under the title policy.

A properly completed ID Affidavit will allow the title company to differentiate between parties with the same or similar names when searching documents recorded by name. This protects all parties involved and allows the title company to competently carry out its duties without unnecessary delay.

