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CONSUMER ALERT

CONSUMER ADVISORY: What Is Home Title Lock Insurance, and Do You Really Need It?

You may have heard a radio ad lately with a dire warning that your home can be stolen right out from under your nose, and the solution they are peddling is to buy “title lock insurance.” But what exactly is this service? Is it something you really need to keep your home safe from property thieves? Are there other safeguards already in place to protect the deed to your home? We’re going to answer these questions so you can make an informed decision about whether you need to purchase this service for yourself.

What is title lock insurance? First, title “lock” insurance is NOT title insurance. These are two very different things. According to the [Maryland Insurance Administration](#): “Title insurance protects real estate purchasers and/or lenders from losses that arise after a real estate settlement, but result from unknown liens, encumbrances or other defects upon the title that existed prior to settlement.” Title LOCK insurance – which is not actually insurance of any kind – claims to protect you against title fraud, not against a legitimate challenge to the title. Title “lock” is a service that monitors the deed to your home to see if it has been transferred out of your name. The service will notify you if this happens – after it has already happened. These services do not actually “lock” your title to prevent fraudulent deed transfers.

Do you need this service to protect your home from property thieves? The answer is no. Title fraud is very rare, and hardly ever successful. If someone ever tries to transfer your deed without your permission or knowledge, like these title lock companies suggest could happen, the transfer is fraudulent and void from the outset. You can periodically perform the same [check on your title](#), for free, as these “monitoring” services do for a fee.

Monitoring your identity is the best way to stop fraud in its tracks and prevent further damage from occurring. Pay attention to missing bills (for example, if you always receive a paper utility bill, and all of a sudden stop receiving one), check your credit with the three major credit reporting companies (Experian, TransUnion, and Equifax), and, as mentioned above, periodically check your title with your state land records office.

The bottom line is: You don't need to purchase title lock insurance. It neither locks nor insures your home title against fraud. You should consider freezing your credit reports, which will make it difficult for a fraudster to open new accounts in your name. You also should keep your personal and financial information secure, check your credit, don't give out your Social Security Number, and destroy any documents with personal information that you no longer need. More information about protecting your identity is available on the Attorney General's [website](#).

<https://www.marylandattorneygeneral.gov/press/2022/062722CA.pdf>