



Owner's Extended Coverage (OEC)

Owner's Extended Coverage, called OEC for short, is an endorsement that can be added to an Owner's Title Policy. It can be selected in the Colorado real estate contract in section 8.1.3. It can be paid for at settlement by the buyer, seller or split between the two parties. This endorsement adds additional protections which are excluded on a standard Owner's Title policy. Without the Owner's Extended Coverage Endorsement (OEC), the following items are not covered from claims resulting from the following matters:

- **Any facts, rights interests or claims not show by the public records but that could be ascertained by an inspection of the land or that may be asserted by persons in possession of the land.**
- **Easements, liens or encumbrances or claims thereof not show by the public records.**
- **Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the title that would be disclosed by a survey and not shown by public records.**
- **Any lien, or right to alien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by public records.**

If Homestead Title closes the transaction and records the documents, the policy will provide GAP protection insuring against any defects, liens, encumbrances, adverse claims or other matters appearing in the public records between the effective date of the title commitment and the recording of the documents (**also known as, the period of time a title company cannot see what is recorded of public record**).

The title company may also require additional actions to issue Owner's Extended Coverage.

1. A final affidavit and indemnity to the title company from both buyer and seller at closing stating there are no liens, or other unrecorded matters that are currently against or may soon be filed against the title to the property. This is signed at closing.
2. A New Survey or Improvement Location Certificate may be required to issue OEC depending on the type of property (vacant land, new or recent construction or other potential issue). This would be required for review before closing.

The Owner's Extended Coverage (OEC) endorsement varies in cost between underwriters, however it is usually in the range of \$50-\$95, and very affordable for the additional protections it provides the new homeowner/buyer.