

# Memorandum

**To:** Examining counsel and Closing Attorneys

**From:** Holland Land Title & Abstract Co., Inc.

**Date:** 10/3/2014

**Re:** Additional Disclosure Requirements Pursuant to New York State Title Insurance Agent Licensing Law

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There have been recent revisions to Article 21 of the Insurance Law and promulgated Regulations pertaining thereto which require that a title agent provide a list setting forth the amounts of the title premium, title insurance fees (including discretionary or ancillary fees) and service charges to the Applicant at the time of the closing. [Section 35.6(a)]

These disclosures, are required as of Saturday, September 27, 2014, and therefore must be implemented immediately. The "Applicant" (defined in Section 2113) is the "person, firm, limited liability company or corporation for whom the purchase of the property that is the subject of the title insurance policy is financed or to whom a mortgage loan is made or who owns the property, or to a person who is the attorney-in-fact for such person. **It should be noted that under the Regulations, the purchaser's attorney, unless the attorney is also the attorney-in-fact, is not the Applicant.** (Section 35.1 (b))

## **Disclosure upon Application for a Loan Policy only**

1. The Lender's or Loan Policy only protects the lender and not the owner of the property;
2. Explains what the owner's policy and Loan Policy insure against, and
3. The applicant may obtain an Owner's Policy.

This notice must also provide the web address for the underwriter's rate calculator or a toll free number where the applicant can obtain a premium quote.

The above notice **MUST BE SIGNED BY THE APPLICANT** at the time the commitment is prepared.

SAMPLE FORMS ARE ATTACHED FOR YOUR REVIEW—

**These executed forms MUST be returned as part of your post-closing curative package. Failure to submit them will delay your payment process.**

**Good Faith Estimate of Charges**

Section 2113(b) of the Insurance Law requires the furnishing of a written Good Faith Estimate of title charges to the Applicant at the time of application for any order received. **If the Applicant is represented by an Attorney, the Good Faith Estimate shall be given to that attorney.** The Good Faith Estimate is to include:

- Estimated title insurance premiums
- Breakdown of all fees
- Service costs
- Recording Charges
- Filing Fees
- Closing costs
- Ancillary or Discretionary Charges
- Amount of Commission or compensation paid to the agent by the title insurance corporation

Henceforth, any invoices prepared in connection with a title insurance order will set forth the above fees, where appropriate, on the “comments” section of our invoice.