13. PREPARING FOR CLOSING
PDF SUPPLEMENT

- Loan Closing Procedures and Tips
- Closing Documents:
  - Closing Escrow Letter
  - Closing Statement Addendum
  - Seller's FIRPTA Affidavit
  - 1099-S
  - 1099-S Reporting Affidavit (No Tax Identification Number Provided)
  - Seller's Forwarding Address
- "Shortcut to the Finish Line: Fund Introduces 'Policy – Express Checkout'" 46 *Fund Concept* 1 (Jan. 2014)
- "Updates and Details on the "Estoppel Bill", General Counsel News (June 2017)

LOAN CLOSING PROCEDURES AND TIPS

1) Pre-Closing

a) Search for servicer information on existing mortgage to be paid off: If assigned to MERS **go to** www.mers-servicerid.org and search mortgage by MIN, Property Address, Borrower Details or FHA/VA/MI Certificate.

b) Contact the lender at least 14 days prior to closing to confirm final figures for Closing Disclosure, e.g., title and settlement fees, estoppel fees, survey, homeowners' warranty, tax prorations, and any other third-party fees associated with the transaction.

c) Confirm with lender when file will be in closing department, final closing date, when final figures will be made available, funding amount, funding date and time, loan package availability and its expected delivery time.

d) Review loan package and closing instructions with care. Check the documents received in the loan closing package against the list set forth in lender's closing instructions, making sure all documents are there. (Lenders frequently omit them, or they have different names. Any confusion, call lender to discuss.

e) When reviewing the lender's closing instructions:
   i) Highlight lender's post-closing dept. address and the amount of time to return the signed loan package, recorded mortgage and final loan title insurance policy to lender.
   ii) Highlight any non-customary lender request to complete the closing, e.g., collecting proof of

insurance, collecting a signed tax return, paying credit card bills.

iii) Highlight those documents you must email to the lender, if any.

iv) Highlight requirement to obtain a funding number, if there is such a requirement.

2) Closing

a) Review loan documents at closing to confirm:

i) Names on loan documents match names on deed.

ii) The mortgage (and the deed) has a legal description included or attached.

iii) The mortgage has a notary's certificate printed on it or attached.

iv) The loan documents (and deed) are all properly executed (signature, witnesses, and notary).

b) Make and retain in your file the "best copy possible" of driver's licenses or other photo ID of borrower and seller, including all spouses. Some lenders will require copies be sent to them.

c) Obtain and retain the seller's forwarding address.

d) Upon meeting lender's funding conditions, collection of all closing funds, and receipt of all required closing documents, disburse proceeds and record the insured deed, mortgage and other instruments.

e) Ensure loan package is properly copied and returned to lender in compliance with its written loan closing instructions. Before leaving for day, confirm "recording is out," "package is back out to lender," payoffs are sent, and payment of seller's proceeds is accounted for.

f) Prepare title insurance policies and deliver those policies to the insured lender and buyer together with the Gramm-Leach-Bliley Privacy Policy Notice and copies of their signed closing documents.

g) Remit copies of the title insurance policies, rating worksheet and premium remittance to Old Republic.

CLOSING DOCUMENTS

Via: Federal Express

Date

[Buyer Closing Agent Name]
[Buyer Closing Agent Address]

Re: [Seller] s/t [Buyer]
[Address of Subject Property]
Our File No. [File Number]

Dear [Buyer Closing Agent]:

In connection with the above captioned transaction, enclosed please find the following **original** documents, which you agree to hold in escrow until such time as you disburse the proceeds of sale to the seller:

1. Seller signed Seller Closing Disclosure;
2. Warranty Deed;
3. Bill of Sale;
4. Closing Affidavit;
5. Disbursement/Wire Request Form;
6. Non-Foreign Certification By Individual Transferor;
7. Form 1099-S (2 of them);
8. Specific Power of Attorney Relative to the Purchase of Homestead, Non-Homestead Realty, and Other Property;
9. Equity Line of Credit Affidavit;
10. Closing Statement Addendum; and
11. Florida Insurance Premium Disclosure & Settlement Agent Certification.

In the event that this transaction does not close by the close of business on [anticipated closing date], you agree to immediately return these original papers to me, upon my request. Seller would like a wire transfer for the seller's proceeds per the Disbursement Instructions. *Please sign and scan back the below Acknowledgement confirming your agreement to the terms of this Escrow Agreement*. Thanks, and it was a pleasure working with you.

Very Truly Yours,

[Your Firm Name]

[Your Name]
[Title]

ACKNOWLEDGEMENT & AGREEMENT

The undersigned closing agent agrees to abide by the terms of this Escrow Agreement.

ESCROW/SETTLEMENT AGENT:

_____

Dated: _____

Closing Statement Addendum

Seller:	**Sonia Chopra and Rahul B. Chopra, wife and husband**
Buyer:	**Edward F. Black and Pamela M. Black, husband and wife**
Property:	**2059 Tillman Avenue, Winter Garden, FL 34787**
Closing Agent:	**Keebler, Nabisco & Amos, P.A.**
Closing Date:	**June 26, 20XX**
File Number:	**Chopra Black**

TAX RE-PRORATION AGREEMENT: If the most recent property tax bill issued does not cover through the closing date, then the tax prorations set forth on the settlement statement are based upon an estimate. The basis of proration as set forth on the settlement statement is hereby accepted by the parties to this transaction. It is hereby understood and agreed that the actual taxes, if different, will be adjusted between the parties upon demand. Closing Agent is not liable or responsible for adjustment or re-proration of taxes. Closing Agent is not responsible or liable for additional taxes, other charges or tax refunds, if any, and shall not be liable should any of the parties to this transaction fail or refuse to re-prorate the taxes.

AGREEMENT TO COOPERATE: If requested by Lender (if any), Closing Agent, Title Agent or Title Underwriter, the parties agree to fully cooperate and adjust for clerical errors, including the execution or re-execution of any reasonable documentation and/or the remittance of any additional sums.

HOMEOWNER'S/CONDOMINIUM ASSOCIATIONS: The Buyer(s) acknowledge(s) the existence of any homeowner's and/or condominium association(s) and is aware that monthly, quarterly or annual maintenance assessments may be due to said association(s). Said association(s) may also have the authority to regulate and enforce community covenants and restrictions. The Buyer hereby acknowledges receipt of a copy of any association estoppel letters for the subject transaction.

MISCELLANEOUS: Closing Agent does not make any representations or warranties nor assumes any liability with respect to the physical condition of the property, or any repairs to the property. Buyer has been advised and encouraged to secure hazard insurance coverage prior to completion of closing. If a survey was prepared for the subject transaction, then the Buyer hereby acknowledges receipt of a copy thereof. The buyer has reviewed said survey and accepts title subject to the matters set forth thereon. Buyer has received and reviewed the proposed deed and is satisfied with and approves the manner which title is being held.

DISBURSEMENT AUTHORIZATION, ETC.: Closing Agent does not adjust or assume liability for charges for water, rents, gas, electricity, taxes on personal property, garbage taxes or fees, license fees or taxes, service/maintenance contracts (pest control, appliance maintenance, pool care, lawn care, alarm systems, etc.), association assessments or dues, or estoppel information furnished by mortgagees or others. The settlement statement has been reviewed and approved and Closing Agent is irrevocably authorized and directed to complete the closing of the transaction and make disbursement in accordance therewith. In the event of mortgage assumption, if Seller has received a credit for the escrow account balance, then Seller hereby assigns all right, title and interest in said account to Buyer. Seller, Buyer, and Borrower are used for singular or plural, as the context so requires or admits. This Agreement is being provided as an inducement for Closing Agent to serve as the closing agent and for Title Agent and Title Underwriter to issue title insurance on the subject transaction.

Buyer:

_____	_____
Edward F. Black	Pamela M. Black

Seller:

_____	_____
Rahul B. Chopra	Sonia Chopra

Non-Foreign Certification By Individual Transferor

(Seller's FIRPTA Affidavit)

Transferor:	**Sonia Chopra and Rahul B. Chopra, wife and husband**
Transferee:	**Edward F. Black and Pamela M. Black, husband and wife**
Property:	**2059 Tillman Avenue, Winter Garden, FL 34787**
Closing Date:	**June 26, 20XX**

Before me, the undersigned authority, personally appeared the person(s) named in paragraph 2(b) below who, after being duly sworn, stated as follows:

1. This certificate is to inform the transferee that withholding Federal Income Tax is not required, upon the sale of the following described real property:

   Lot 86, BRONSON'S LANDINGS, according to the Plat thereof, recorded in Plat Book 66, Page 139, of the Public Records of Orange County, Florida.

2. The undersigned Transferor certifies and declares as follows:

   a. I am not a foreign person for purposes of United States income taxation, and am not subject to the tax withholding requirements of Section 1445 of the Internal Revenue Code of 1954, as amended.

   b. My United States taxpayer identification or Social Security number is:
   Rahul B. Chopra (333-22-1111)
   Sonia Chopra (000-11-2222)

   c. My home address is:
   2059 Tillman Avenue, Winter Garden, FL 34787

   d. There are no other persons who have an ownership interest in the above described property other than those persons listed in paragraph 2(b) above.

3. The undersigned hereby further certifies and declares:

   a. I understand the purchaser of the described property intends to rely on the foregoing representations in connection with the United States Foreign Investment in Real Property Tax Act. (FIRPTA).

   b. I understand this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statements contained in this certification may be punished by fine, imprisonment or both.

Under penalties of perjury, I state that this declaration was carefully read and is true and correct.

_____ _____

Rahul B. Chopra Sonia Chopra

State of Florida
County of Orange

The foregoing instrument was sworn to and subscribed before me by means of [x] physical presence or [ ] online notarization this 26th day of June, 20XX, by Rahul B. and Sonia Chopra who [ ] are personally known or [x] have produced _____ as identification.

[Notary Seal]

_____
Notary Public

Printed Name: _____

My Commission Expires: _____

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Date of closing	OMB No. 1545-0997	
Keebler, Nabisco & Amos, P.A. 123 Milano Way Orlando , FL 32822 (407) 765-4321		06/26/20XX	**20XX**	**Proceeds From Real Estate Transactions**
		2 Gross proceeds $ 550,000.00	Form **1099-S**	
FILER'S federal identification number 59-7654321	TRANSFEROR'S identification number 333-22-1111	3 Address or legal description Lot 86, Bronson's Landings, according to the Plat thereof, recorded in Plat Book 66, Page 139, of the Public Records of Orange County, Florida.		**Copy B** **For Transferor**
TRANSFEROR'S name Rahul B. Chopra Sonia Chopra		4 Transferor received or will receive property or services as part of the consideration (if checked) . . . ☐		This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.
Street address (including apt. no.) 2059 Tillman Avenue		5 If checked, transferor is a foreign person (nonresident alien, foreign partnership, foreign estate, or foreign trust) . . . . . ☐		
City or town, state or province, country, and ZIP or foreign postal code Winter Garden, FL 34787				
Account or escrow number (see instructions) Chopra-Black CD		6 Buyer's part of real estate tax $ 0.00		

Form **1099-S** (keep for your records) www.irs.gov/form1099s Department of the Treasury - Internal Revenue Service

Instructions for Transferor

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the IRS and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the instructions for Schedule D (Form 1040). If the real estate was not your main home, report the transaction on Form 4797, Form 6252, and/or the Schedule D for the appropriate income tax form. If box 4 is checked and you received or will receive like-kind property, you must file Form 8824.

Federal mortgage subsidy. You may have to recapture (pay back) all or part of a federal mortgage subsidy if all the following apply.

- You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate.
- Your original mortgage loan was provided after 1990.
- You sold or disposed of your home at a gain during the first 9 years after you received the federal mortgage subsidy.
- Your income for the year you sold or disposed of your home was over a specified amount.

This will increase your tax. See Form 8828 and Pub. 523.

Transferor's taxpayer identification number. For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the issuer has reported your complete identification number to the IRS.

Account number. May show an account or other unique number the filer assigned to distinguish your account.

Box 1. Shows the date of closing.

Box 2. Shows the gross proceeds from a real estate transaction, generally the sales price. Gross proceeds include cash and notes payable to you, notes assumed by the transferee (buyer), and any notes paid off at settlement. Box 2 does not include the value of other property or services you received or will receive. See Box 4.

Box 3. Shows the address or legal description of the property transferred.

Box 4. If marked, shows that you received or will receive services or property (other than cash or notes) as part of the consideration for the property transferred. The value of any services or property (other than cash or notes) is not included in box 2.

Box 5. If checked, shows that you are a foreign person (nonresident alien, foreign partnership, foreign estate, or foreign trust).

Box 6. Shows certain real estate tax on a residence charged to the buyer at settlement. If you have already paid the real estate tax for the period that includes the sale date, subtract the amount in box 6 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the “Other income” line of the appropriate income tax form. For more information, see Pub. 523, Pub. 525, and Pub. 530.

YOU ARE REQUIRED BY LAW to provide your correct taxpayer name and identification number for the transaction described above to Keebler, Nabisco & Amos, P.A..

If you do not provide your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

UNDER PENALTIES OF PERJURY, I certify that the number shown on this statement is my correct taxpayer identification number. I acknowledge that I have received a copy of this statement.

Seller Seller

Seller Seller

1099-S Reporting Affidavit
No Tax Identification Number Provided

BEFORE ME, the undersigned authority, duly authorized to take acknowledgments and administer oaths, personal appears (_____your firm name_____), who deposes and says under penalties of perjury that:

1. I am over the age of 18 and I believe in the obligation of an oath.

2. (First transaction with no TIN provided) on (insert date and, if known, time of request for taxpayer identification number (TIN)) I contacted (insert name of person(s) who did not provide TIN). I requested his/her taxpayer identification number. I stated that this information is required to be furnished under authority of law. (Insert name of person(s) who did not provide TIN) did not provide me with his/her taxpayer identification number. The transaction closed on (insert the date of the closing).

3. (Second transaction with no TIN provided) on (insert date and, if known, time of request for TIN) I contacted (insert name of person(s) who did not provide TIN). I requested his/her taxpayer identification number. I stated that this information is required to be furnished under authority of law. (Insert name of person(s) who did not provide TIN) did not provide me with his/her taxpayer identification number. The transaction closed on (insert the date of the closing).

4. FOR EXAMPLE: On *January 6, 2017 at 1:38 pm* I contacted *Solo Foreignseller*. I requested his taxpayer identification number. I stated that this information is required to be furnished under authority of law. *Mr. Foreignseller* did not provide me with his taxpayer identification number. The transaction closed on *January 31, 2017*.

Under penalties of perjury, I declare that I have read the foregoing affidavit and that the facts stated in it are true.

_____ (Affiant)
(insert name)

STATE OF: _____
COUNTY OF: _____

The foregoing instrument was sworn to and subscribed before me by means of [ ] physical presence or [ ] online notarization this _____ day of _____, 20___, by _____, who is personally known or [ ] has produced _____ as identification.

Notary Signature: _____
Print name: _____
Notary Public, State of _____
My Commission Expires: _____
[PLACE NOTARIAL SEAL]

Keebler, Nabisco & Amos, P.A.
123 Milano Way
Orlando, Florida 32822
(407) 765-4321 Phone
(407) 240-1111 Fax

Seller's Forwarding Address

File: Chopra sale to Black

Closing Date: June 26, 20XX

Name of Seller: Sonia and Rahul B. Chopra

New Address for Seller: 4549 Snickerdoodle Way

Orlando, FL 32825

_____

Seller Email: _____

New Telephone No. #: _____

Signature:

_____ _____
Sonia Chopra Rahul B. Chopra

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SHORTCUT TO THE FINISH LINE: FUND INTRODUCES 'POLICY – EXPRESS CHECKOUT'

BY PHILIP A. HOLTSBERG, SR. UNDERWRITING COUNSEL

One important way The Fund is Always Driven is its relentless pursuit of operational efficiencies available to our members in conducting their transactional real estate practices. These efficiencies help our members remain competitive, improve their profitability, and ultimately help preserve and protect the issuance of title insurance as a core component of the transactional practice of real property law. The purpose of this article is to announce and detail our support for a new efficiency-enhancing initiative we are dubbing "Policy - Express Checkout." While this initiative is entirely optional and voluntary for each member to adopt (or not) in their practice, we believe that it offers significant economies and is worthy of your consideration and implementation.

Clients often mistakenly assume that the real estate closing is the transactional finish line for the closing agent. Experienced attorneys and their paralegals know better. The transactional finish line is not crossed until its file is completed, all i's and t's dotted and crossed, respectively, and the file is ready for archival storage. Let us use the metaphor of an iceberg to represent the aggregate time expenditures required by an attorney and their staff to completely handle a real estate transaction from intake through archival storage. From most clients' perspectives, they see only the "tip" of that iceberg – the exposed part of the iceberg above the waterline. As we know all too well, below the waterline remains the bulk of the iceberg mass: the time and effort expended either pre- or post-closing and almost all of it outside of the clients' awareness (but hopefully not outside of their appreciation). The Policy – Express Checkout initiative is intended to shrink both the iceberg's mass "below the waterline" while at the same time making more of the iceberg visible to the title agents' clients and customers. Increased efficiency AND more client satisfaction. Interested? Read on!

The Fund is pleased to announce that members may now issue and deliver both owners' and lenders' policies simultaneously with their closing disbursements, even though the closing documents have not been filed in the official public records and recording information is not yet available! This allows you and your staff to work directly from your marked-up commitment and to prepare the final policy schedules at the precise moment when all of the required and pertinent information is at hand and is top-of-mind. Moreover, in many transactions you will

(Continues on page 4)

IN THIS ISSUE

- Case Reviews 2
- Record Retention and Disposal 3
- What's in a Name 8
- Reminder of ATIF Forms 10
- The Legacy Continues 11

...continued from page 1

be able to physically deliver the policy to the insured before they leave your office, or include it in the express delivery return envelope of the lender's closing package. This is what "Policy – Express Checkout" is all about – policy issuance and delivery before instrument recordation has occurred.

The remainder of this article is presented in a convenient question and answer format, hopefully anticipating and answering the questions you might have should you choose to implement Policy – Express Checkout in your office.

Q1: *We currently have a Fund branch prepare our draft commitment schedules (using a Product 20). If we decide to implement Policy – Express Checkout, does anything change in our order or in the delivered draft commitment schedules?*

A: No. You will continue to order and receive the same product, and there will be no change in the prepared draft commitment schedules.

Q2: *We currently have the Fund branch prepare our draft commitment schedules and final policies (using a Product 24). May we use this Product if we decide to implement Policy – Express Checkout?*

A: No. This product is designed anticipating that the final policy will be issued after the transaction documents have been recorded and the recording information is available. The Fund branch requests that you send in the marked-up commitment after closing, together with a request form for the final policy (which includes the policy jacket numbers you have pulled) once the recording is completed. Of course, if you started a transaction by ordering a Product 24, you can always convert it into a Product 20 and prepare the final policy schedules yourself.

Q3: *We currently conduct our own title examinations and prepare our own commitments. If we decide to implement Policy – Express Checkout, does anything change in either the title examination or commitment preparation process?*

A: No.

Q4: *Is there a different Closing Protection Letter (CPL) if we decide to implement Policy – Express Checkout; does anything about the CPL or the CPL request process change?*

A: No.

Q5: *Is there any change required to the way we "narrow the gap" if we decide to implement Policy – Express Checkout?*

A: No. The "gap" is the time between the effective date of the commitment and the date the instruments to be insured will be recorded. "Narrowing" the gap is the process by which the original effective date of the commitment is brought closer to the date of closing. This entails updating the title examination to as current a time as is practicable prior to closing and the update not revealing any title defect or other adverse matters. You should still obtain a "gap affidavit" from the seller(s) or mortgagor(s) stating that there are no matters pending against them that could give rise to a lien that would attach to the subject property between the effective date of the commitment and the recording of the insured instruments and that they have not executed and will not execute any instrument that would adversely affect the title to the subject property or the lien of any mortgage to be insured. Finally, you should record the insured instruments as soon as possible after closing.

Q6: *Is Policy – Express Checkout available even if our firm does not e-record our closing documents using a service such as Simplifile (for example)?*

A: Yes. Policy – Express Checkout may be used by Fund Members who record closing documents the traditional way (by delivering them to the official recorder's office for processing and their eventual return, whether via courier, mail, overnight delivery, etc.) That said, The Fund strongly encourages its members to adopt and implement an e-recording solution as a way to garner additional efficiencies in their closing practices, to minimize the risk of gap matters arising, as well as the risks associated with document handling (e.g., misdelivery, lost documents, etc.).

Moreover, e-recording helps ensure that your firm is in compliance with the ALTA Best Practice Initiative.

Q7: *Our firm already uses an e-recording solution. Does Policy – Express Checkout apply to us?*

A: Yes. Policy – Express Checkout may still be used, even if your firm uses an e-recording solution. Thanks to e-recording, given that you will have the recording information for the instruments you should include that information in the final policies.

Q8: *If our firm uses Policy – Express Checkout, is there any difference in how we prepare the Owner's Policy (OF6) Schedules A & B?*

A: Yes, but these differences are both simple and minor.

Schedule A: (i) The field for the Date of Policy should be completed with the actual date of closing disbursement (a time of day is not required). (ii) The field numbered 2, for the Estate or Interest in the Land should be completed using wording such as "as shown in instrument to be recorded in the Public Records of _____ County, Florida, which conveys the Land."

Schedule B: For any instrument that is listed on Schedule B but which will be recorded with the vesting deed, describe the instrument, the parties to it, the type of instrument, and the recordation information as "to be recorded in the public records of _____ County, Florida."

That's all there is to it! (A completed example appears in the current edition of the *Fund Procedures Handbook*.)

Q9: *If our firm uses Policy – Express Checkout, is there any difference in how we prepare the Lender's Policy (MF6) Schedules A & B-I and B-II?*

A: Yes, but these differences are both simple and minor.

Schedule A: (i) The field for the Date of Policy should be completed with the actual date of closing disbursement (a time of day is not required). (ii) Field numbered 4, for the description of the Insured Mortgage should be completed using words rather than the recording information for the mortgage such as "Mortgage in the sum of $_____ from Borrower to Lender, dated _____, to be recorded in the Public Records of _____ County, Florida, which encumbers the Land."

Schedule B-I: Usually, there will be no changes to the way Schedule B-I is prepared. However, if there are instruments to be recorded ahead of the insured mortgage that must be shown as exceptions senior to the insured mortgage on Schedule B-I, describe such instruments by identifying the instrument's title, the parties, the execution date, and recite that the instrument as "to be recorded in the Public Records of _____ County, Florida, ahead of the insured mortgage."

Schedule B-II: Usually, there will be no changes to the way Schedule B-II is prepared. However, if there are instruments to be recorded after the insured mortgage that must be shown as exceptions subordinate to the insured mortgage on Schedule B-II, describe such instruments by identifying the instrument's title, the parties, the execution date, and recite that the instrument is "to be recorded in the Public Records of _____ County, Florida, after the insured mortgage."

That's all there is to it! (A completed example appears in the current edition of the *Fund Procedures Handbook*.)

Q10: *May the Lender's Short Form Policy (SF6) be issued using Policy – Express Checkout?*

A: Yes. The SF6 schedules were designed to not contain a place for recording information in anticipation that they might be issued before that information was available. Simply use the date of disbursement as the effective date.

Q11: *If our firm uses Policy – Express Checkout, and the lender's closing instructions call for the issuance of a Lender's Short Form Policy (SF6) may we simply substitute and send a Lender's Policy (MF6) issued prior to recordation of the insured documents?*

A: No. You should comply with the Lender's Closing Instructions and furnish the type of policy jacket requested.

Q12: *If our firm uses Policy – Express Checkout, do we have to use it for all of our closings?*

A: No. Your firm remains totally in control and

may freely pick and choose when to use Policy – Express Checkout, or not.

Q13: *Are there any transactions when our firm should not use Policy – Express Checkout?*

A: Yes. In situations in which the risk of adverse matters appearing in the gap is increased, and your firm is closing in escrow, then you should not use Policy – Express Checkout. Remember, Policy – Express Checkout is available only after disbursements are made. You should contact a Fund Underwriting Counsel if there is a question whether Policy – Express Checkout is available for a particular transaction.

Q14: *May our firm use Policy – Express Checkout when we are the issuing title insurance agent, but someone else is handling the disbursement of the closing funds?*

A: Yes. However, Policy – Express Checkout is available only after disbursements are made. You should provide direction to the disbursement agent to make the disbursements and confirm disbursements have been made prior to issuing the policy(ies).

Q15: *May our firm use Policy – Express Checkout when we are the issuing title insurance agent, but another firm is handling the recording of the insured instruments?*

A: No. Policy – Express Checkout is available only when your firm is responsible for recording the insured instruments.

Q16: *Our firm used Policy – Express Checkout and issued the Owner's Policy to the buyer. Once the recorded documents come back, do we have to issue an endorsement to the Owner's Policy to reflect the recording date and/or information?*

A: No. The buyer has the identical coverage under a policy issued using Policy – Express Checkout as would exist under a traditionally issued policy that reflects the document recordation date as the policy's effective date and that contains the recording information for the vesting deed.

Q17: *Our firm used Policy – Express Checkout and issued the Owner's Policy to the buyer. The closing documents have been recorded. The named insured owner has requested an endorsement to the Owner's Policy to reflect the recording date and/or information. May we issue such an endorsement? If so, how do we do that and what is the charge?*

A: Yes. A Form E Endorsement form may be issued which contains the recording information for the vesting instrument. There is no premium for the endorsement. Deliver the original of the endorsement to the named insured, and send The Fund a copy of the issued endorsement.

Q18: *Our firm used Policy – Express Checkout and issued the Lender's Policy to the mortgagee. Once the recorded documents come back, do we have to issue an endorsement to the Lender's Policy to reflect the recording date and/or information?*

A: No. The mortgagee has the identical coverage under a policy issued using Policy – Express Checkout as would exist under a traditionally issued policy that reflects the document recordation date as the policy's effective date and that contains the recording information for the insured mortgage.

Q19: *Our firm used Policy – Express Checkout and issued the Lender's Policy to the mortgagee. The closing documents have been recorded. The named insured lender has requested an endorsement to the Lender's Policy to reflect the recording date and/or information. May we issue such an endorsement? If so, how do we do that and what is the charge?*

A: Yes. A Form E Endorsement form may be issued which contains the recording information for the insured mortgage and any other documents shown as "to be recorded" on the issued policy. There is no premium for the endorsement. Deliver the original of the endorsement to the named insured, and send The Fund a copy of the issued endorsement.

Q20: *If our firm uses Policy – Express Checkout, does anything change in how we currently retrieve serialized policy jackets from DoubleTime or ePolicyManager?*

A: No, because you are not to retrieve serialized policy jackets until the transaction has closed and funded.

Q21: *If our firm uses Policy – Express Checkout, does anything change in how we currently transmit issued policies and remit payment to The Fund?*

A: No, because you are to transmit the issued policies and remit payment to The Fund when you actually issue the policies. If you are not already doing so, this would be a great opportunity to begin remitting premiums electronically by taking advantage of the features built into DoubleTime. By submitting both the policy schedules and the premium remittance electronically you can benefit from additional labor and cost efficiencies.

Q22: *If our firm uses Policy – Express Checkout, does anything change in how we complete the policy schedules in DoubleTime?*

A: No, DoubleTime allows you to complete the policy schedules before the recording information is available. In fact, DoubleTime has built-in intelligence to streamline the preparation of the language that goes into Schedules A Paragraph 2 (of the OF6), and Paragraph 4 (of the MF6) based upon whether or not the recording information is entered into DoubleTime.

Q23: *Is Policy – Express Checkout compliant with the ALTA's Best Practices Initiative?*

A: Yes! In fact, the Policy – Express Checkout was, in part, conceived and implemented to facilitate and ensure compliance with the Best Practices Initiative in terms of both timely policy issuance/delivery as well as premium remittance. If you begin remitting policy premiums electronically together with the policy schedules, you will be even further down the road of Best Practices' compliance.

Q24: *If our firm uses Policy – Express Checkout, does anything change in our post-closing requirements and procedures?*

A: Not really. Some firms use policy issuance as the procedural checklist reminder or placeholder to double-check that all post-closing matters are completed, and that the transaction file is almost ready for archival storage. You simply need to use a different step in the closing process as the tickler in your firm's standard operating procedures for post-closing follow through on the loose ends that need to be wrapped up and confirmed. For example, you still have the identical follow through responsibilities to confirm proper recordation of all documents, discharge of liens and encumbrances, balance sheet reconciliation, etc.

Q25: *Are there any changes to the way a prior policy may be used as a title base for examination purposes in a subsequent transaction if that prior policy was issued using Policy – Express Checkout?*

A: No. This includes policies issued by underwriters other than Old Republic National Title Insurance Company whose policy effective dates may predate the date of recordation of the insured instruments.

Q26: *Are there any changes to the way the Mutual Indemnification Agreement among and between the various underwriters (the Treaty) will be applied if the policy in question was issued using Policy – Express Checkout?*

A: No. This includes policies issued by underwriters other than Old Republic National Title Insurance Company whose policy effective dates may predate the date of recordation of the insured instruments.

Q27: *Are there any changes to the promulgated rates for policies issued using Policy – Express Checkout?*

A: No.

As Abraham Lincoln said, "A lawyer's time and advice are his stock in trade." We believe that Policy – Express Checkout will save you much of the former, if you will only accept ours of the latter. If you have any additional concerns or questions about whether Policy – Express Checkout is right for you, we invite you to speak with your Fund Member Account Executive about them. □

The Fund's main website can be accessed at *www.thefund.com*. The Fund's website for consumers can be found at *www.fundhomeinfo.com*.

Legislative Updates

Updates and details on the "Estoppel Bill"; New Episode of Title Now Available

June 15, 2017

Dear Members,

Legislation is S.L.O.W.L.Y. being sent to Governor Scott. But FINALLY, on June 14, 2017, the Governor signed Senate Bill ("SB") 398, which we all affectionately call the "Estoppel bill." Effective July 1, 2017, the new law makes substantial changes to all three of Florida's primary community association statutes – chapter 718, F.S. (condominiums); chapter 719, F.S. (cooperatives); and chapter 720, F.S. (homeowners' associations).

The new law provides mandatory detailed content for association estoppel certificates and provides that the certificate shall be issued by the association within 10 business days after receipt of the written or electronic request for it. We are working on a sample form to distribute to you which tracks the language of the new statute. The certificate is valid for 30 days if provided via hand delivery or by electronic means – 35 days if provided by regular mail.

Of particular import, the association may not collect sums beyond the amounts specified in the estoppel certificate from anyone who relies on the certificate in good faith.

Associations may charge up to $250.00 for an estoppel certificate if no delinquent amounts are owed. If delinquent amounts are owed to the association, up to $150.00 extra may be charged. When certificates are requested to be provided within 3 business days, a $100.00 additional fee is also allowed. No fee may be charged by the association if the estoppel certificate is delivered to the person who requested it more than 10 business days after receipt of the request.

Title Now - The Fund's New Podcast

I launched my new Podcast at Fund Assembly this year – it's called Title Now. I am very excited about this additional way to reach you. The Podcast format gives me the opportunity to get into a little bit more depth on an issue, involve other people in the discussion and just make it a little more entertaining than reading an email. But the emails will keep coming! Please listen and subscribe to Title Now and let me know what you think, including suggestions for topics and speakers.

Let me know how we can help you.

Best Regards,

MELISSA JAY MURPHY
Senior Vice President and
General Counsel