



# Changes to Your Title Commitment

*Upon careful review of your new title reports, you will notice new language on our commitments for title insurance issued in connection with a residential listing. The commitment for title insurance is a contract where the title company assumes an obligation to provide a title insurance policy. The title company issuing the title report also assumes liability to the purchaser (or new lender) for possible loss due to existing title matters that are not disclosed at the time the title commitment is prepared. Please note the following changes:*

**DEFAULT LIABILITY AMOUNTS:** Due to the potential for liability under the commitment, liability amounts are no longer able to be left blank. When the purchase price or loan amount is unknown, the liability amount on the commitment will default to \$10,500.00 for residential and \$100,000.00 (or more) for commercial.

**LISTING COMMITMENTS:** When our title commitment is prepared before a purchaser is known, instead of referring to the proposed insured as “TBD” it will read, **“Purchaser with contractual rights under a purchase agreement with the vested owner identified at Item 4 below.”**

Also, before a purchase agreement has been signed, a residential title report will now show as **“liability is limited to \$10,000”**. As soon as there is a purchaser, a supplement will be immediately sent that shows the actual names and the actual transaction amount.

Real estate brokers, sellers, potential lenders and other professionals should know that we are willing to issue a commitment with any reasonable dollar amount even before there is an agreement, if that is your preference. We also will show any specific person or company that might become the purchaser (or lender), even before there is an agreement.

**REQUIREMENTS SECTION:** To conform with ALTA mandated updates, the 2016 commitment now has a **“Requirements”** section. These are items that are not exceptions to current title, but are required by the title company to be addressed prior to closing in order to insure marketable title at the time of closing. For example, this is where we will show items such as the requirement to review incoming party's corporate or LLC documents, clear any potential incoming party's ID questions, or lay out that the property needs to be inspected prior to close.

**DO YOU HAVE QUESTIONS?** Please feel free to contact us any time.

For additional information or to ask specific questions, please contact our Experienced Title Officers.

