

WFG Underwriting Bulletin



To: All California Policy Issuing Agents; All WFG Title Examiners and Officers
From: WFG Underwriting Department
Date: October 1, 2024
Bulletin No. CA 2024-03
Subject: California Preliminary Injunction - MV Realty

On September 13, 2024, Judge Kenneth R. Freeman entered a [preliminary injunction](#) against various MV Realty entities requiring them, among other things, to record terminations of all Memorandums of Homeowner Benefit Agreements filed on properties of California homeowners by the earlier of:

- a. Thirty (30) days from the entry of the Court's order, or
- b. Within five (5) days of notification from any California homeowner, or any agent acting on their behalf, who requires a termination to be recorded in order to proceed with any transaction related to the homeowner's property, including but not limited to a loan, refinancing, or sale of the property.

Subsequently, MV Realty has appealed the issuance of the Preliminary Injunction and the Attorney General has filed a Motion to Enforce the Court's Preliminary Injunction Order reciting that "MV Realty has willfully disregarded the order and continues violating the law and harming consumers" and attaching a statement from a homeowner who unsuccessfully requested that MV Realty terminate the Memorandum of HBA.

Until we see how that plays out, our recommendation is to give formal notice of the transaction by email in order to start the 5-day clock running. [Click here to download a sample form with fillable contact points.](#)

Please retain a copy of the email notification in your files as that may help your customer down the road.

Needless to say, until we have a final unappealable judgment in this case, these continue to be liens on the property that must be released or otherwise dealt with before closings can move forward. The MV Realty filings in California may not be "ignored" or "insured over."

Note that this applies only to California Properties. Lawsuits by Attorneys General in other states continue to move forward.

If you have questions or want to discuss alternative security for a transaction, please contact your WFG underwriter.

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The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.