



## UNDERWRITING BULLETIN

**To: Florida Agents and WFG Employees**

**From: Florida Underwriting Department**

**Date: May 23, 2012**

**Bulletin No: FL- 05232012**

**Name: Florida Reissue Rate**

We hope that all of our agents are seeing increased revenue as the Home Affordable Refinance Program 2.0 is fully implemented. This increase in refinance business provides an opportunity to remind our agents that under the Florida Administrative Code, it is mandatory to give the Reissue Rate, when applicable. Most refinances will require the Reissue Rate.

A "Reissue Rate" is applicable if the current owner has an Owner's title insurance policy and that insured owner is refinancing a mortgage on the insured property. The Owner's policy may be issued by any underwriter. Over the past years there have been a number of class action cases brought against agents as well as underwriters that failed to provide the Reissue Rate. While we are confident that WFG agents understand and properly charge the correct Florida Reissue Rate we want to emphasize WFG's position on agents' obligations to inform consumers of the rates and to inquire as to the availability of a prior owners' policy.

It is WFG's policy in Florida that, in transactions in which the Reissue Rate is potentially applicable, agents should always (i) request prior owner's policies from borrowers on refinance transactions, and (ii) inform the borrower that providing a prior owner's policy will permit a discounted title insurance rate, if applicable, as soon as practicable after being retained as the title agent, and in any event no later than the agents' first contact with the consumer paying the title insurance premium or the consumer's representative (i.e., the lender, mortgage broker, realtor, and/or attorney). Remember, a copy of the prior owner's policy is required to be attached to your remittance when the Reissue Rate has been given.

We recognize that this may be difficult, particularly in a refinance situation when you may not meet the borrowers until they actually show up at closing. We strongly encourage you to mail a notification to the borrowers at the earliest reasonable opportunity and to get a written acknowledgment as part of your closing documentation. A sample notification letter is attached which you may modify to your purposes. A sample acknowledgment is also attached.

Should you have any questions, please contact your WFG Underwriting Department.

NOTE: This Bulletin is intended for use by title issuing offices, title insurance agents and approved attorneys of WFG National Title Insurance Company and any reliance by any other person or entity is unauthorized. This bulletin is intended solely for the purpose of underwriting policies of WFG National Title Insurance Company.

## SAMPLE LETTER

[Date]

[Customer's Name and Address]

[Dear \_\_\_\_\_]:

XYZ Title Agency and our underwriter, WFG National Title Insurance Company, wish to take this opportunity to thank you for your business and to inform you of possible discounts available to you.

Title insurance rates are set by the Florida Office of Insurance Regulation. The rules say that you may be entitled to a discount called a "Reissue Rate." This rate would be applicable if the current owner has an Owner's title insurance policy and that insured owner is:

1. Refinancing a mortgage on the insured property; or,
2. Selling undeveloped land; or
3. Selling developed land within 3 years of the effective date of the current Owner's policy.

The discount reissue rate may only be given if an entire copy of the prior policy is provided to this agency prior to your closing.

Please forward to us a copy of any qualifying Owner's policy at your earliest opportunity.

Sincerely,

**SAMPLE ACKNOWLEDGMENT**

I acknowledge that XYZ Title Insurance Agency provided me with the attached information prior to my closing.

\_\_\_\_\_

Consumer

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