

WFG Underwriting Bulletin



To: All Illinois Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: March 26, 2020
Bulletin No.: IL 2020-03
Subject: Underwriting Guidelines – COVID-19 Municipal Closures and Inability to Obtain Municipal Transfer Tax Stamps

To All WFG Agents doing business in Illinois,

Due to government office closures related to COVID-19, you may be closing transactions in which you cannot meet municipal requirements for the issuance of municipal transfer tax stamps or you cannot physically obtain the municipal transfer tax stamps. We do not want you to be in a position where you have closed a transaction and subsequently discover that meeting such requirements is going to cost you money in excess of the amount you are holding in a funded title indemnity. In those situations, please follow the procedures set forth below:

Establishing funded title indemnities is permissible without underwriter approval in those cases where the requirement is limited to monetary amounts which may be due the municipality for utilities, etc. The amount of the indemnity should include 125% of the amount of the municipal transfer tax, and 150% of known outstanding amounts due the municipality. The establishment of a generously funded title indemnity is the rule rather than the exception. The Seller should sign the indemnity. (If the property is held in a trust, corporation, Limited Liability Company or other entity, the indemnity should be signed by both said entity and by an appropriate individual.)

If the municipality's transfer stamp requirements include non-monetary items, like inspections or zoning certifications, you must seek underwriter approval to insure and close when a required municipal inspection cannot be obtained. Municipal inspection requirements are much more challenging since it is very difficult to put a dollar figure on the potential risk. If we are willing to insure over this risk it will require a properly drafted and funded title indemnity.

The exception in all title indemnities related to these issues should read as follows: "Consequences arising from the inability to record the instruments vesting title in the insured, including but not limited to any requirements of the municipality relating to the physical condition of the Land and improvements resulting from municipal inspections of the Land as required for the issuance of municipal transfer tax stamps."

Again, any requests to approve closing the sale of a property without a required inspection report must be approved by a WFG underwriter.

If you have any questions regarding this bulletin or if you need any additional information, please contact:



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NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

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