

WFG Underwriting Bulletin



To: All Louisiana Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: December 3, 2018
Bulletin No.: LA 2018-07
Subject: Partial Releases of Code Enforcement Liens

The City of New Orleans has changed its approach to releases of code enforcement liens. The City will issue a partial release of a lien upon receipt of the sum provided in the payoff statement. The City will only issue a full cancellation upon receipt of the payoff amount and proof that the violations have been abated. Below is information provided by the City.

A PARTIAL RELEASE (Affidavit Of Partial Release), which will partially cancel and erase only the monetary amount of the liens from the Clerk of Court's Land Records, will be issued. A full cancellation will be issued after proof of abatement is submitted to this office and approved by Code Enforcement and payment of any additional fees/costs that may occur.

A partial release is not acceptable because the lien will continue to attach to the property and can adversely affect an insured's interest. You should require a full cancellation on Schedule B-I of the Commitment. If the violations have not been abated and acceptable proof provided to the City prior to closing, the lien must be listed as an exception on the Loan or Owner's Policy, including short form and expanded coverage policies, even if you remitted the payoff amount and received a partial release. Upon the filing of a full cancellation, you may remove the exception for the lien.

Please be aware that this approach is not unique to New Orleans. Other jurisdictions will accept a payoff but not release a lien without proof that violations have been abated. You should always confirm with the parish or municipality whether it has been provided satisfactory proof of abatement. If not, the lien must be listed as an exception. If you have any questions, do not hesitate to contact underwriting counsel.

NOTE: This Bulletin is for the sole purpose of establishing underwriting positions and policies reflecting WFG National Title Insurance Company's best business judgment. 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