



## UNDERWRITING BULLETIN TO LOUISIANA AGENTS

From: Stephen G. Sklamba, State Underwriting Counsel  
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This supplements Bulletin No. LA12-04 which contained guidelines for insuring titles acquired by tax sales conducted prior to January 1, 2009.

The Louisiana Law Institute recommended changes to the tax sale laws. Act No. 819 of the 2008 Regular Session adopted the revision and it was enacted into law, effective January 1, 2009. The revision allowed for notice to certain interested parties after the tax sale and provided that no interested party would lose his interest until he received notice of the tax sale.

Unfortunately, there have been 9 amendments to the revision during the past 3 years. These amendments to my knowledge were not reviewed by the Law Institute.

Act No. 836 of the Regular Session of 2012 amended the law to require notice to interested parties prior to the tax sale. This Act was a total departure from the rationale adopted by the Law Institute in proposing the revision.

The 2012 statute mandates that the tax collector cancel the tax sale and refund to the tax sale purchaser the purchase price in the absence of notice to a "tax sale party" or demonstration by the tax collector of a reasonable effort to provide notice. The definition of "tax sale party" appears in the revision and includes owners of record and holders of an interest such as a mortgage or privilege.

Therefore, as a result of the 2012 statute, insuring tax titles is just as problematic under the revision as it was under prior law. Louisiana law now requires notice of the tax sale to all interested parties or demonstration of a reasonable effort to notify interested parties prior to the tax sale.

### Underwriting Guidelines

The underwriting guidelines contained in Bulletin No. LA 12-04 will also apply to tax sales conducted after January 1, 2009. Unless there is evidence of prior notice to all interested parties and a judgment quieting title that conforms to the guidelines in LA12-04, WFG will not insure a title based on a tax sale.

With approval of underwriting counsel, a tax title may be insurable if ownership based on acquisitive prescription has been recognized in a judgment by a court of competent jurisdiction.

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