



# **RATE AND RULES**

**FOR THE STATE OF**

# **MASSACHUSETTS**

**PROPOSED EFFECTIVE DATE:  
March 1, 2017**

**WFG National Title Insurance Company**  
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## INTRODUCTION

The rates for the various types of title insurance policies and endorsements offered by WFG National Title Insurance Company (“the Company”) are set forth below. Premiums are for title insurance only and do not include search fees, abstract fees, attorney fees, or escrow or closing fees. Additional charges may be assessed for title insurance policies which involve an unusually large amount of work, but the applicant shall be notified before any additional charges would apply. As used herein, the initials ALTA stand for American Land Title Association.

## STANDARD RISK RATES

These rates are for ordinary real estate transactions for title insurance coverage provided by the standard forms of ALTA policies and/or endorsements. These rates assume that the Company will be supplied with evidence satisfactory to the Company that title has been determined based upon a competent examination of title. Fees and charges in connection with the searching, examination, certification and closing of title are not included in these rates, and the Company may make additional charges for these and other services when applicable.

## RIGHT OF THE COMPANY TO ADJUST CHARGES/DECLINE TO INSURE

The Company may adjust charges in especially difficult titles or for special risk considerations, or for coverage requested by the insured that is not provided in the standard ALTA forms of policies. The Company may also decline to insure any title. It may, at any time, at its sole discretion, refuse or cancel any application by canceling its charges and notifying the applicant.

## RIGHT TO WITHHOLD ISSUANCE OF POLICY

A fundamental principle of insurance is that the insurer does not undertake a risk unless it has been paid the required premium for the policy. Therefore, the Company will not issue a policy of title insurance until all applicable charges have been paid in full.

## AMOUNT OF INSURANCE

**Owner’s title insurance policies** will not be issued for less than the full value of the property as determined by:

1. the contract purchase price for the property including the value of any assumed liens or obligations;
2. the appraised value of the property; or
3. a good faith estimate of the value of the property; except when the Company is a co-insurer with one or more other title insurers, or when the interest of the insured owner is a leasehold or other interest in the property which is less than fee ownership, in which case no owners title insurance policy will be issued for less than the value of the insured’s interest in the property.

**Mortgagee title insurance policies** will be issued in the amount equal to the face value of the insured mortgage, except:

1. If the Company is a co-insurer with other title insurers, the amount of insurance may be less than the face amount of the mortgage, provided the total liability of all co-insurers complies with the amount of insurance requirements set forth in this section;

2. If the value of the insured property or the equity of the mortgagor is less than the face amount of the mortgage, the amount of insurance may be equal to the value of the property or the equity of the mortgagor in the property;
3. If the mortgage includes provisions for negative amortization, shared appreciation, or interest or other costs to be added to the indebtedness or secured by the mortgage, the policy may be written in an amount greater than the face amount of the mortgage;
4. If the indebtedness secured by the mortgage is also secured by mortgages on other property, the policy may be written in an amount equal to the amount of the indebtedness allocated by the insured to be secured by the property provided the values of the other property or properties is equal to or greater than the amount of the indebtedness allocated to the other properties.

Owners and loan policies of title insurance may be issued in amounts less than the minimum amounts stated above if that amount is greater than the Title Insurance Industry Capacity. Title Insurance Industry Capacity is defined by the total liability which can be assumed by the Company plus the total amount of any co-insurance and/or reinsurance which is available through other title insurance companies.

### **COMMITMENTS**

A properly completed title insurance commitment is a formal and legally binding contract to insure title to real property. In some jurisdictions, a commitment is called a binder. Maximum care must be exercised in the issuance of a title commitment due to the great potential for liability and claim every time a title commitment is issued. Subject to its terms and expiration, the commitment can be relied upon by the insured to obtain a title policy subject only to the exceptions set out therein.

A commitment for title insurance shall be effective for six (6) months. The Company may issue a written endorsement extending the effective period of the commitment provided that:

1. A request for extension is received prior to expiration of the commitment
2. The extension is for no more than six (6) months
3. The effective date of the commitment remains unchanged
4. The commitment is not extended for a total period of more than two (2) years
- 5.

### **OWNER'S AND LEASEHOLD COVERAGE**

The ALTA leasehold owner's and leasehold loan policies are essentially identical to their ALTA counterparts for fee titles and mortgages. An owner's or leasehold policy insuring interest in land should not be issued for an amount greater than nor less than the purchase price of the land. If no sale is involved, the full reasonable value of the land may be agreed upon between the Company and the proposed insured.

A title insurer or a title insurance agent issuing a title insurance policy to a lender in conjunction with a mortgage loan made simultaneously with the purchase of all or part of the estate securing a loan, where no owner's title insurance policy has been requested, shall give written notice to the purchaser/mortgagor at the closing, on a form prescribed or approved by the Company, explaining that a title insurance policy for the lender is being issued for the protection of the mortgage lender, and that the policy does not provide title insurance protection to the purchaser/mortgagor. The notice shall further explain what an owner's title policy insures against, and what possible exposures exist for the purchaser/mortgagor who could be insured against through the purchase of an owner's policy, and the cost of said policy. A copy of the executed notice shall be retained in the agent's file for at least three years after the effective date of the lender's policy.

The premium for an owner's or leasehold policy is calculated as follows\*:

Up to \$40,000 of coverage -----	\$146.00 flat fee
\$40,001 to \$1,000,000, an additional -----	3.65 per \$1,000
\$1,001,000 and above, an additional -----	2.50 per \$1,000

\*Round up to the next thousand on all transactions. (Ex: \$76,003 would be rounded up to \$77,000)

**ENHANCED OWNER’S OR LEASEHOLD POLICIES**

This policy, which is the ALTA Homeowner’s Policy of Title Insurance, adopted 10/17/98 and amended 10/22/03, provides more coverage to owners than the other ALTA Owner’s Policies. The ALTA Homeowner’s Policy contains 28 insuring clauses (“Covered Risks”). This policy can only be issued in connection with one-to-four family residential properties, or an individual condominium unit.

The elimination of the printed exception(s) (Standard Coverage exceptions) from any ALTA form of a policy makes that policy an Enhanced Coverage policy. The applicant/proposed insured shall comply with all underwriting requirements of the Company for the deletion of any or all printed exceptions shown in Schedule B, Section 2, of the Commitment for Title Insurance. An existing standard policy may be “upgraded” to an ALTA Homeowner’s Policy for payment of the additional premium as calculated above over the premium for the standard ALTA Owners Policy. Enhanced coverage is available for one-to-four residential property for owner’s coverage without underwriting approval. The property must be a one-to-four family residential lot or condominium unit on a whole lot in a recorded/filed residential subdivision or in a completed condominium subdivision.

The premium for an enhanced owner's or leasehold policy is calculated as follows\*:

Up to \$40,000 of coverage -----	\$160.00 flat fee
\$40,001 to \$1,000,000, an additional -----	4.00 per \$1,000
\$1,001,000 and above, an additional -----	2.75 per \$1,000

\*Round up to the next thousand on all transactions. (Ex: \$76,003 would be rounded up to \$77,000)

**LENDER’S POLICIES/SHORT FORM AND STANDARD**

A lender's policy insuring first *lien position* on real property should not be issued for an amount greater than or less than the full principal debt. In some instances, a Lender’s policy may be issued for an amount up to 120% of the principal debt to reimburse for interest, foreclosure costs, etc., and in an amount up to 150% of principal debt on adjustable rate mortgages. Short form policies reference standard full text policies filed and approved and on file with the Insurance Department. They are issued at the same rates as the standard full text policies referenced in the short form.

The premium for a Lender’s policy is calculated as follows\*:

Up to \$40,000 of coverage -----	\$100.00 flat fee
Then from \$40,001 to \$1,000,000, an additional -----	2.50 per \$1,000
\$1,001,000 and above, an additional -----	2.00 per \$1,000

The premium for an Expanded Lender’s policy is calculated as follows\*:

Up to \$40,000 of coverage -----	\$100.00 flat fee
Then from \$40,001 to \$1,000,000, an additional -----	2.75 per \$1,000
\$1,001,000 and above, an additional -----	2.25 per \$1,000

\*Round up to the next thousand on all transactions. (Ex: \$76,003 would be rounded up to \$77,000)

A Lender's policy insuring a *second lien* position on real property should only be issued for an amount equal to the full principal debt of the second lien. The premium shall be calculated the same as the premium for a Lender's policy insuring a first lien position.

**CONSTRUCTION LOAN POLICIES**

A construction loan policy may be issued in amount not greater than nor less than the full principal debt provided that (1) the loan is for a period not to exceed two (2) years (2) the purpose of the loan is to finance improvements to the real property. The premium for a construction loan policy is calculated at a charge of \$1.00 for each \$1,000 of coverage, with a minimum charge of \$100.00. If a loan for the purpose of financing improvements will become the permanent mortgage, the premium should be calculated at the charges for Lender's policies as shown herein.

**Issuing an Owner's Policy simultaneously with a Construction Loan Policy may be done one of two ways:**

1. Issue the Owner's Policy in the amount of the purchase price of the land only and the Loan Policy in the amount of the construction loan. The loan amount will exceed the owner's policy amount in this case.
2. Issue the Owner's Policy in the amount of the purchase price of the land combined with the amount of the construction loan, or the expected appraised value upon completion, if the appraised value is higher.

Option B is the preferred method. If option B is used, it is necessary to include a "pending improvements" clause on Schedule B of the Owner's Policy.

**ALTA RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY**

An ALTA Limited Coverage Junior Loan Policy may be issued to institutional lenders where the loan being insured is in a second or junior position, for the following fee:

Liability:	Charge:
Up to \$75,000.00	\$112.50
\$75,001.00 - \$100,000.00	\$150.00
\$100,001.00 - \$125,000.00	\$187.50
\$125,001.00 and above	\$225.00

**U.S. POLICY**

The U. S. Government Policy is issued naming the United States of America or one of its Departments as the insured. The policy identifies the vested owner of the land and excepts to those defects, liens and encumbrances which in the judgment of the insurer should appear in the policy. The policy also contains a special provision insuring against loss or damage if the United States acquires title by condemnation and the commitment, as updated to the filing of a lis pendens or declaration of taking, failed to disclose parties having a record interest in the land. However, the policy is not a report or abstract of title.

The insuring provisions of the policy are broad. However, their coverage is limited by the Exceptions in Schedule B of the policy and by the Schedule of Conditions and Limitations contained in the policy. The policy, like all policies, obligates the insurer to provide a defense to its insured. However, unlike other policies, the insurer does not have the right to select the counsel to represent the insured. The United States must be represented by the office of the Attorney General.

**The charge for this policy shall be 100% of the Standard Rate for an Owner's or Leasehold Policy.**

## SIMULTANEOUS ISSUE

When an owner's or leasehold owner's policy and a mortgagee's loan policy covering identical property are issued simultaneously, the rate is 100% of the owner rate plus \$175.00 for the loan policy. If the amount of the loan policy exceeds the owner's or leasehold owner's policy, then the excess amount will be charged at 100% of the rate for loan policies. In all cases the owner's or leasehold owner's policy shall be issued for the full insurable value of the premises, if insuring a fee simple estate, or for the full insurable value of the leasehold estate, if insuring a leasehold estate. Both policies must bear the same effective date and the owner's or leasehold owner's policy must show the mortgage as an exception. It is not essential that the fee simple or leasehold estate be acquired simultaneously with the issuance of the mortgagee's loan policies.

## REISSUE RATES

By definition, the reissue rate, when applicable, is 60% of the rate for the original insurance. The reissue rate can be applied only up to the amount of insurance of previously issued policy. The excess amount of insurance, if any, must be calculated at charges under applicable brackets. Reissue rates are applicable under the following circumstances:

1. A purchaser or lessee or real estate from one whose title thereto, as owner, has been insured by any title insurance company within seven (7) year prior to the application for a new owner's or leasehold policy shall be entitled to the reissue rate for owner's title insurance in an amount up to the face liability of such former policy. A copy of said former policy must be furnished to the new insurer (new issuing agent) prior to issuance of the new owner's policy.
2. An assured under an owner's or leasehold owner's policy grants a mortgage on the property insured desires to furnish his mortgagee with a policy of title insurance. The premium for the Lender's policy is calculated as stated in the definition above.

## ENDORSEMENTS

The Company offers the following ALTA endorsements for use with the applicable policies. **With the exception of the ALTA 3-06 and 3.1-06 Zoning endorsements,** there is no charge to use these endorsements.

ALTA® Endorsement 1-06 Street Assessments (6-17-06)

ALTA® Endorsement 3.1-06 Zoning-Completed Structure (10-22-09) **\$.15 per \$1,000 of liability amount**

ALTA® Endorsement 3.2-06 Zoning – Land Under Development (04-02-12)TC (10-18-12) **\$.15 per \$1,000 of liability amount**

ALTA® Endorsement 3-06 Zoning Unimproved Land (6-17-06)

ALTA® Endorsement 4.1-06 Condominium (10-16-08)

ALTA® Endorsement 5.1-06 Planned Unit Development (10-16-08)

ALTA® Endorsement 6.2-06 Variable Rate Mortgage - Negative Amortization (10-16-08)

ALTA® Endorsement 6-06 Variable Rate Mortgage (10-16-08)

ALTA® Endorsement 7.1-06 Manufactured Housing - Conversion: Loan (6-17-06)

ALTA® Endorsement 7.2-06 Manufactured Housing - Conversion: Owner's (6-17-06)

ALTA® Endorsement 7-06 Manufactured Housing Unit (6-17-06)

ALTA® Endorsement 8.1-06 Environmental Protection Lien (6-17-06)

ALTA® Endorsement 8.2-06 Commercial Environmental Protection Lien (10-16-08)

ALTA® Endorsement 9.10-06 Restrictions, Encroachments, Minerals – Current Violations – Loan Policy (4-2-13) TC 8-1-16

ALTA® Endorsement 9.1-06 Covenants, Conditions and Restrictions – Unimproved Land – Owner's Policy (04-02-12)

ALTA® Endorsement 9.2-06 Covenants, Conditions and Restrictions – Improved Land – Owner's Policy (04-02-12)

ALTA® Endorsement 9.3-06 Covenants, Conditions and Restrictions – Loan Policy (04-02-12)  
ALTA® Endorsement 9.6.1-06 Private Rights - Current Assessments - Loan Policy (04-02-15)  
ALTA® Endorsement 9.7-06 Restrictions, Encroachments, Minerals – Land Under Development – Loan Policy (04-02-12) TC 8-1-16  
ALTA® Endorsement 9.8-06 Covenants Conditions and Restrictions – Land Under Development – Owner’s Policy (04-02-12) TC (10-18-12)  
ALTA® Endorsement 9.9-06 Private Right – Owner’s Policy (4-2-13) Redline of Comments Accepted  
ALTA® Endorsement 10.1-06 Assignment And Date Down (2-3-10)  
ALTA® Endorsement 10-06 Assignment (2-3-10)  
ALTA® Endorsement 11.1-06 Mortgage Modification with Subordination (10-22-09)  
ALTA® Endorsement 11.2-06 Mortgage Modification with Additional Amount of Insurance (Adopted 12-02-13)  
ALTA® Endorsement 11-06 Mortgage Modification (6-17-06)  
ALTA® Endorsement 12.1-06 Aggregation – State Limits - Loan Policy (4-2-13)  
ALTA® Endorsement 12-06 Aggregation – Loan Policy (4-2-13)  
ALTA® Endorsement 13.1-06 Leasehold – Loan (04-02-12)  
ALTA® Endorsement 13-06 Leasehold – Owner’s (04-02-12)  
ALTA® Endorsement 14.1-06 Future Advance Knowledge (02-03-11) NO MECHANIC LIEN COVERAGE  
ALTA® Endorsement 14.1-06 Future Advance Knowledge (02-03-11) MECHANIC LIEN COVERAGE  
ALTA® Endorsement 14.2-06 Future Advance - Letter of Credit (02-03-11) NO MECHANIC LIEN COVERAGE  
ALTA® Endorsement 14.2-06 Future Advance - Letter of Credit (02-03-11) MECHANIC LIEN COVERAGE  
ALTA® Endorsement 14.3-06 Future Advance Reverse Mortgage (02-03-11) TC (10-18-12) NO MECHANIC LIEN COVERAGE  
ALTA® Endorsement 14.3-06 Future Advance Reverse Mortgage (02-03-11) TC (10-18-12) MECHANIC LIEN COVERAGE  
ALTA® Endorsement 14-06 Future Advance Priority (02-03-11)  
ALTA® Endorsement 15.1-06 Non-Imputation - Additional Insured (6-17-06)  
ALTA® Endorsement 15.2-06 Non-Imputation - Partial Equity Transfer (6-17-06)  
ALTA® Endorsement 15-06 Non-Imputation - Full Equity Transfer (6-17-06)  
ALTA® Endorsement 16-06 Mezzanine Financing (6-17-06)  
ALTA® Endorsement 17.1-06 Indirect Access and Entry (6-17-06)  
ALTA® Endorsement 17.2-06 Utility Access (10-16-08)  
ALTA® Endorsement 17-06 Access and Entry (6-17-06)  
ALTA® Endorsement 18.1-06 Multiple Tax Parcel (6-17-06)  
ALTA Endorsement 18.2-06 Multiple Tax Parcel (08-01-16)  
ALTA® Endorsement 18-06 Single Tax Parcel (6-17-06)  
ALTA® Endorsement 19.1-06 Contiguity - Single Parcel (6-17-06)  
ALTA® Endorsement 19.2-06 Contiguity - Specified Parcels (04-02-15)  
ALTA® Endorsement 19-06 Contiguity - Multiple Parcels (6-17-06)  
ALTA® Endorsement 20-06 First Loss - Multiple Parcel Transactions (6-17-06) TC (10-13-11)  
ALTA® Endorsement 22.1-06 Location and Map (6-17-06)  
ALTA® Endorsement 22-06 Location (6-17-06)  
ALTA® Endorsement 23-06 Coinsurance – Single Policy (10-16-08)  
ALTA Endorsement 23.1-06 Coinsurance - Multiple Policies (08-01-16)  
ALTA® Endorsement 24-06 Doing Business (10-16-08)  
ALTA® Endorsement 25.1-06 Same as Portion of Survey (10-16-08)  
ALTA® Endorsement 25-06 Same as Survey (10-16-08)  
ALTA® Endorsement 26-06 Subdivision (10-16-08)

ALTA® Endorsement 27-06 Usury (10-16-08)

ALTA® Endorsement 28.1-06 Encroachments – Boundaries and Easements (04-02-12)

ALTA® Endorsement 28.2-06 Encroachments – Boundaries and Easements – Described Improvements (4-2-13)

ALTA® Endorsement 28.3-06 Encroachments - Boundaries and Easements - Described Improvements and Land Under Development (04-02-15)

ALTA® Endorsement 28-06 Easement - Damage or Enforced Removal (2-3-10)

ALTA® Endorsement 29.1-06 Interest Rate Swap - Additional Interest (2-3-10) TC (04-02-14) TC 8-1-16

ALTA® Endorsement 29.2-06 Interest Rate Swap Endorsement - Direct Obligation - Defined Amount (08-01-11) TC (04-02-14) TC 8-1-16

ALTA® Endorsement 29.3-06 Interest Rate Swap Endorsement - Additional Interest - Defined Amount (08-01-11)TC (04-02-14) TC 8-1-16

ALTA® Endorsement 29-06 Interest Rate Swap Endorsement - Direct Obligation (2-3-10) TC (04-02-14) TC 8-1-16

ALTA® Endorsement 30.1-06 Commercial Participation Interest (08-01-12)

ALTA® Endorsement 30-06 Shared Appreciation Mortgage (7-26-10)

ALTA® Endorsement 31-06 Severable Improvements Endorsement (02-03-11)

ALTA® Endorsement 32.1-06 Construction Loan - Loss of Priority - Direct Payment (4-2-13)

ALTA® Endorsement 32.2-06 Construction Loan – Loss of Priority – Insured’s Direct Payment (4-2-13)

ALTA® Endorsement 32-06 Construction Loan Pending Disbursement (02-03-11)

ALTA® Endorsement 33-06 Disbursement Endorsement (02-03-11)

ALTA® Endorsement 34-06 Identified Risk Coverage (08-01-11)

ALTA® Endorsement 35.1-06 Minerals and Other Subsurface Substances – Improvements (04-02-12) TC 8-1-16

ALTA® Endorsement 35.2-06 Minerals and Other Subsurface Substances – Described Improvements (04-02-12) TC 8-1-16

ALTA® Endorsement 35.3-06 Minerals and Other Subsurface Substances – Land Under Development (04-02-12) TC 8-1-16

ALTA® Endorsement 35-06 Minerals and Other Subsurface Substances – Buildings (04-02-12) TC 8-1-16

ALTA® Endorsement 36.1-06 Energy Project – Leasehold/Easement – Loan (04-02-12)

ALTA® Endorsement 36.2-06 Energy Project – Leasehold – Owner’s (04-02-12)

ALTA® Endorsement 36.3-06 Energy Project – Leasehold – Loan (04-02-12)

ALTA® Endorsement 36.4-06 Energy Project – Covenants, Conditions and Restrictions – Land Under Development – Owner’s (04-02-12)

ALTA® Endorsement 36.5-06 Energy Project – Covenants, Conditions and Restrictions – Land Under Development – Loan (04-02-12)

ALTA® Endorsement 36.6-06 Energy Project – Encroachments (04-02-12) TC 8-1-16

ALTA® Endorsement 36.7-06 Energy Project – Fee Estate – Owner’s Policy (12-01-14)

ALTA® Endorsement 36.8-06 Energy Project – Fee Estate – Loan Policy (12-01-14)

ALTA® Endorsement 36-06 Energy Project – Leasehold/Easement – Owner’s (04-02-12)

ALTA® Endorsement 37-06 Assignment of Rents or Leases (12-3-12)

ALTA® Endorsement 38-06 Mortgage Tax (12-3-12)

ALTA® Endorsement 39-06 Policy Authentication (4-2-13)

ALTA® Endorsement 40.1-06 Tax Credit - Defined Amount - Owner’s Policy (04-02-14)

ALTA® Endorsement 40-06 Tax Credit - Owner's Policy (04-02-14)

ALTA® Endorsement 41-06 Water – Buildings (Adopted 12-02-13)

ALTA® Endorsement 41.2-06 Water – Described Improvements (Adopted 12-02-13)

ALTA® Endorsement 41.3-06 Water – Land Under Development (Adopted 12-02-13)

ALTA® Endorsement 41-06 Water – Buildings (Adopted 12-02-13)

ALTA® Endorsement 42-06 Commercial Lender Group (Adopted 12-02-13)

ALTA® Endorsement 43-06 Anti-Taint (Adopted 12-02-13)



ALTA® Endorsement 44-06 Insured Mortgage Recording (Adopted 12-02-13)

ALTA® Endorsement 45-06 Pari Passu Mortgage – Loan Policy (12-01-14)

ALTA® Endorsement 46-06 Option Adopted 8-1-15

ALTA® Endorsement JR1 (08-01-12)

ALTA® Endorsement JR2 - Revolving Credit / Variable Rate (10-19-96)

WFG General Endorsement

WFG Arbitration Deletion Endorsement