

WFG Informational Bulletin

To: All WFG Policy Issuing Agents and Direct Offices
From: WFG Underwriting
Date: June 20, 2022
Bulletin No: NB 2022-06
Subject: 2021 ALTA Forms Update

BACKGROUND:

As you know, the American Land Title Association released new title insurance policy forms and endorsements (2021 Forms) last year. Many of you have questions on the availability and use of the 2021 Forms and when the 2006 Forms may no longer be used.

This Bulletin will discuss “Decertification” of the 2006 Forms as well as the process/hurdles to implementation of the 2021 Forms: Regulatory Issues, Production Software Integration, GSE Guidelines, and Lender/Purchase Contract Requirements.

DECERTIFICATION:

ALTA plans to “decertify” the 2006 forms on December 31, 2022. Decertification just means that the “Official ALTA Forms” will be the 2021 Forms. The 2006 Forms may be issued after decertification; depending upon Regulatory Issues at the state level and lender requirements. See “GSE Guidelines” below.

We will update you should the Decertification Date change.

REGULATORY ISSUES:

As you may be aware, most states require filing and/or approval of forms and/or rates or “promulgate” forms and/or rates prior to use. (Promulgate just means the state government dictates the policy forms that may be issued and/or determines the rates to be charged.)

Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.

Appendix A is a report as of June 8, 2022 detailing WFG's progress in obtaining regulatory approval for the 2021 Forms. [Click here to download Appendix A.](#)

Unless otherwise noted, the "Effective Date" is the first day that the new forms may be issued in that state. You may continue to use the 2006 Forms after the 2021 Forms become effective unless a state specific bulletin dictates only the 2021 Forms.

PRODUCTION SOFTWARE INTEGRATIONS:

Software integration will be the largest barrier to use of the 2021 Forms. The 2021 Forms can vary slightly state to state and among underwriters doing business within a particular state. For example, some states prohibit mandatory arbitration provisions so that the "Arbitration Clause" must be deleted. Additionally, each underwriter is allowed to include or omit certain "optional clauses" within the drafted 2021 Forms and adds information in the header and footer of the forms. These variations make software integration a massive, time-consuming undertaking.

To speed this process, WFG sends its 2021 Forms to software vendors as soon as WFG receives approval from a state regulator. However, we are all at the mercy of the software vendors to complete the integration of WFG's 2021 Forms into their systems.

You will need to check with your software vendor to see when the 2021 Forms are available.

GSE GUIDELINES:

"GSE" just means Freddie Mac, FNMA, etc. Each of them writes "Guidelines" for lenders selling residential mortgages on the secondary market. These Guidelines include the title insurance forms/endorsements that are required.

"Freddie Mac" has released its Guidelines for the 2021 ALTA Forms. Currently, Freddie Mac will accept both the 2006 and 2021 Forms through December 31, 2022. After that date, Freddie Mac will only accept 2021 Forms. Freddie Mac may change this date as we get closer to the end of 2022.

To date, FNMA has not issued Guidelines for the 2021 ALTA Forms.

LENDER/PURCHASE CONTRACT REQUIREMENTS:

Individual lender closing instructions and purchase contracts will be a challenge as we transition to the 2021 Forms. When the 2021 Forms become effective in your state(s), you will need to examine these instructions and purchase contracts carefully.

Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.

Some instructions/contracts may reference a generic requirement for an “ALTA _____ Policy” while others may specifically require either the 2006 ALTA Forms or the 2021 Forms.

To the extent 2021 Forms are effective in your state(s) and your system allows you to issue the 2021 Forms, please issue the 2021 Forms.

This may require you to ask the lender to amend their closing instructions and/or the buyer/seller to amend their purchase contract to specify the 2021 Forms or to specifically elect the 2006 Forms.

CONCLUSION:

WFG will supplement this Bulletin with State Specific Bulletins.

You will need to check with your software vendor as the 2021 ALTA Forms become effective in your state(s).

Care will need to be taken as we transition to the 2021 ALTA Forms to ensure compliance with both the lender’s closing instructions and the purchase contract.

As always, please contact your underwriter for answers to specific questions.

Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.