

WFG Underwriting Bulletin



To: All WFG Policy Issuing Agents; All WFG Title Examiners, Escrow Officers
From: WFG Underwriting Department
Date: September 30, 2024
Bulletin No. NB 2024-09
Subject: Close Those HELOCs

We continue to see entirely preventable claims from the failure to close out Home Equity Lines of Credit at the time of sale or refinancing. Even though an escrow officer may get a payoff statement/demand and pay these in full, if the HELOC is not closed out, it can be (and all too often is) reborrowed in full the next day.

Where your title search reveals a HELOC, additional steps are required to permanently close them out.

Most of the time, the information about closing the account is in the fine print of the payoff statement/demand.

If the payoff does not list the requirements of closing the account, then the payoff lender should be contacted to identify any special forms required – and follow those steps exactly.

In addition, the payoff should be accompanied by a letter signed and notarized by your borrower directing that the HELOC be permanently closed and released of record.

So please – **CLOSE THOSE HELOCs!**

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.