

WFG Underwriting Bulletin



To: All New Mexico Policy Issuing Agents of WFG National Title Insurance Company
From: Underwriting Department
Date: May 11, 2016
Bulletin No. NM2016-09
Subject: 2016 Title Insurance Regulations: New Endorsements and CPL Forms

2016 Order of the Superintendent of Insurance Effective March 1, 2016

I. The following new endorsements were promulgated, by the Superintendent;

A. Zoning Endorsements

Per NMAC §§13.14.8.26, 13.14.8.27 and 13.14.8.27(B) and (C), upon written approval by the underwriter, the following endorsements may be issued regardless of whether any zoning ordinances affect the property:

1. NM 64.1

This endorsement may be issued when the property is unimproved land and not subject to any zoning ordinances. The premium is the same as the NM 64 Zoning Endorsement (15% of the full basic premium).

2. NM 65.2

This endorsement may be issued on a completed structure where the property is not subject to any zoning ordinances. The premium is the same as the NM 65 Zoning Endorsement (23% of the full basic premium).

NMAC §13.14.8.27(B) permits deletion of a portion of the coverage under the zoning endorsements for a completed structure (65, 65.1 [Previously NM 87, Land Under Development] and 65.2 by:

- (1) crossing out the part to be deleted on the form of endorsement;
- (2) retyping the form leaving out the part to be deleted; or
- (3) special endorsement.

B. Mortgage Modification Endorsements

Per NMAC §§13.14.18.13, the following mortgage modifications endorsements are now available:

1. NM 80.1 Mortgage Modification with Subordination Endorsement

This endorsement is available to assure that the lien of the mortgage will not be impaired by reason of a subordination agreement that is part of the mortgage modification.

2. NM 80.2 Mortgage Modification with Additional Amount of Title Insurance Endorsement

This endorsement is available to include additional coverage where the mortgage modification agreement includes an increase in the loan amount.

Premium: The premium for the NM 80 and NM 8.1 is \$65.00. The premium for the 80.2 is \$65 plus the premium for increased coverage at the bracketed rate.

C. Energy Project Endorsements

Per NMAC §13.14.8.39 the following Energy Project Endorsements are now available. These endorsements require underwriter approval:

1. NM 88 - (ALTA 36-06) Energy Project - Leasehold/Easement Owner's Endorsement
2. NM 88.1 - (ALTA 36.1-06) Energy Project - Leasehold/Easement Loan Endorsement
3. NM 88.2 - (ALTA 36.2-06) Energy Project - Leasehold - Owner's Endorsement
4. NM 88.3 - (ALTA 36.3-06) Energy Project - Leasehold Loan Endorsement
5. NM 88.4 - (ALTA 36.4-06) Energy Project - Covenants, Conditions & Restrictions - Land Under Development- Owner's Endorsement
6. NM 88.5 - (ALTA 36.5-06) Energy Project - Covenants, Conditions & Restrictions - Land Under Development- Loan Endorsement
7. NM 88.6 - (ALTA 36.6-06) Energy Project - Encroachments Endorsement
8. NM 88.7 - (ALTA 36.7-06) Energy Project - Fee Estate - Owner's Policy Endorsement
9. NM 88.8 - (ALTA 36.8-06) Energy Project - Fee Estate Loan Policy Endorsement

Premium: 10% of the full basic premium total for endorsements to loan policies and 10% of the full basic premium total for endorsements to owner's policies. This is not per endorsement, but a maximum to each policy regardless of number of endorsements to each policy

D. Mezzanine Financing Endorsement

Per NMAC §13.14.8.40 the NM 89 (ALTA 16-06) Mezzanine Financing Endorsement is now available. This endorsement requires underwriter approval: It is rarely requested, but is used in commercial transactions with complex financing where the lender may have an interest in the borrower (usually a corporation or LLC).

E. Closing Protection Letters

The new Closing Protection Letter Forms (NM 80 and NM 80.1) were promulgated, by the Superintendent to update the prior forms to the newer ALTA forms that clarify the obligation of the underwriter under the letters.

NOTE: 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.