

WFG Rate and Form Bulletin



To: All New Mexico Policy Issuing Agent of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: June 29, 2018
Bulletin No.: NM 2018-01
Subject: 2018 Title Insurance Rate Regulations, Modified Promulgated Forms, and Modified Regulations

2018 Order of the Superintendent of Insurance Effective July 1, 2018

A. Rate Changes (Effective July 1, 2018)

Please consult the attached *2018 Schedule of New Mexico Basic Premium Rates for Title Insurance* and the attached *New Mexico Statistical/Transaction Codes – Effective 7/1/2018* for greater detail.

1. The **Basic Premium Rates** have been **reduced** by **9.5%**. NMAC §13.14.9.
2. The **Simultaneous Issue Loan Rate** shall increase from \$30.00 to **\$100.00**. NMAC §13.14.9.30.
3. There shall be a new **\$50.00** endorsement charge for **survey coverage on a loan policy**. NMAC §13.14.10.10.
4. The charge for the **deletion of Standard Exception 4** shall increase from \$25.00 to **\$50.00**. NMAC §13.14.10.9 (Owner's Policies) and §13.14.9.40 (Loan Policies).
5. The charge for **New Mexico Forms 80 and 80.1 (Mortgage Modification Endorsements)** shall increase from \$65.00 to **\$125.00**. NMAC §13.14.10.61.
6. The charge for **New Mexico Form 80.2 (Mortgage Modification with Additional Amount of Title Insurance Endorsement)** shall increase from \$65.00 to **\$125.00, plus an additional premium** calculated by determining the difference between the charge for a loan policy in the amount of the current amount of insurance before the amount of insurance is increased, and the charge for a loan policy in the amount of the increased insurance utilizing the appropriate brackets in the schedule of basic premium rates in effect as of the date of the endorsement. NMAC §13.14.10.61.

7. The charge for **New Mexico Form 90** (*Residential Limited Coverage Mortgage Modification Policy*) shall increase from \$125.00 to **\$175.00** for each policy issued in an amount up to \$1,000,000.00, and an additional \$175.00 for each \$500,000.00 of policy amount above \$1,000,000.00 up to \$20,000,000.00. NMAC §13.14.9.42.

8. The **minimum charge** for an endorsement on a loan policy to insure the validity and priority of a lien for **additional advances** shall increase from \$50.00 to **\$100.00**. NMAC §13.14.10.11.

9. There shall be a new charge of **\$25.00** for a **New Mexico Form 26** (*Partial Coverage Endorsement*). NMAC §13.14.10.64.

B. Modified Promulgated Forms

1. **New Mexico Form 6** (*Commitment for Title Insurance*). NMAC §13.14.18.13. This modified form now appears to be more similar to the ALTA Form Rev. 08-01-2016

2. **New Mexico Form 35** (*Notice to Purchaser Insured*). NMAC §13.14.18.13

3. **New Mexico Form 49** (*Notice of Availability of Future Increase in Coverage and Potential Premium Discount for Future Policies*). NMAC §13.14.18.13

Said forms are now available at www.wfgunderwriting.com.

C. Other Changes of Note

1. NMAC §13.14.3.11 (Premium Division with Agents - Other Fees and Expenses) - Subparagraph G has been modified to include the language "*additional chain of title fees, unusual complexity fees*" to clarify the fact said items/fees are not subject to a division between agent and insurer.

2. NMAC §13.14.5.8 (Issuance Upon Request and Receipt of Bona Fide Order) - Subparagraph B has been amended (a) to delete the reference to the New Mexico Form 6.1 plain language commitment; and, (b) to delete the prior language that read "*A commitment or binder shall not be issued for the purpose of determining the state of the title of property subject to or to be subject in the future to a foreclosure action, quiet title suit, or other litigation.*"

3. NMAC §13.14.7.27 (Residential Limited Coverage Mortgage Modification Policy) - Subparagraph A has been amended to clarify the following two issues associated with **New Mexico Form 90**: (a) **New Mexico Form 90** may be issued in the amount of the outstanding principal balance of the loan on the date of policy; and, (b) **New Mexico Form 90**

may not be issued to increase coverage if an additional advance is included in the agreement for the modification of mortgage.

4. NMAC §13.14.8.13 (Insuring Around Endorsement) - Subparagraph A (4) has been added to clarify the fact that **New Mexico Form 43** may now also be issued “*Where any insurer has otherwise determined that the lien or other adverse matter does not pose a material risk under the policy(ies).*” Please obtain approval from WFG’s underwriting counsel prior to issuing said endorsement. Also, please note that NMAC §13.14.8.13 - Subparagraph B has been amended to clarify the fact that, at the discretion of the insurer, the coverage contemplated by utilizing an *Insuring Around Endorsement* may now be provided by intentionally omitting the lien or other adverse matter from any commitment or policy. Please obtain approval from WFG’s underwriting counsel prior to providing said coverage.

5. NMAC §13.14.8.15 (Truth in Lending Endorsement) - **New Mexico Form 48** has been deleted.

6. NMAC §13.14.8.16 (Restrictions, Encroachments, and Minerals Endorsements) - Subparagraph C (2) has been added to clarify the fact that the coverage relating to minerals provided in **New Mexico Form 50, New Mexico Form 50.1, New Mexico Form 56, New Mexico Form 56.1, New Mexico Form 57, and New Mexico Form 57.1** may now also be issued - where said minerals have been severed – if “*the insurer deems the risk of such coverage to be acceptable in the insurer’s discretion.*” Please obtain approval from WFG’s underwriting counsel prior to providing said coverage.

7. NMAC §13.14.9.19 (Non-Policy Rates) - Subparagraph A has been amended to require that agents charge a premium of \$100.00 for each version of a commitment. However, please note that if a version of a commitment is issued to correct an error by the issuing agent, the version shall be issued at no charge. Also, please note that Subparagraph C of said regulation has been amended to clarify the fact that if a version of a pro forma policy is issued to correct an error by the issuing agent, the version shall be issued at no charge.

8. NMAC §13.14.9.39 (Substitution Rate on Loans to Take Up, Renew, Extend or Satisfy and Existing Insured Loan) - This regulation has been amended in its entirety. A copy of the new regulation, together with a copy of Section 59A-30-6.1 of the New Mexico Title Insurance Law, are attached for your consideration. Please note that:

(a) The aforementioned Section 59A-30-6.1 requires that a copy of a prior policy or a copy of a closing statement evidencing the issuance of said policy be furnished to the title insurance agent;

(b) NMAC §13.14.9.39 - Subparagraph D provides instructions for premiums if two or more previous loan policies are presented; and,

(c) NMAC §13.14.9.39 - Subparagraph E (as currently drafted) is ambiguous. If you have a request associated with the issuance of a series of mortgage policies apportioned to individual units, please contact WFG's underwriting counsel for assistance.

9. NMAC §13.14.10.11 (Additional Advances Under Open End Mortgages) - This regulation has been amended to clarify how an agent computes the premium for Additional Advances Under Open End Mortgages, including all endorsements for which the premium is calculated as a percentage of the policy premium or otherwise based on the policy amount. Please note the minimum combined charge for this endorsement has been increased from \$50.00 to **\$100.00.**

10. NMAC §13.14.10.61 (Mortgage Modification Endorsements) - Subparagraph B has been amended to clarify how an agent computes the premium for a **New Mexico Form 80.2** (*Mortgage Modification with Additional Amount of Title Insurance Endorsement*), including all endorsements for which the premium is calculated as a percentage of the policy premium or otherwise based on the policy amount. Please note the premium has been increased from \$65.00 to **\$125.00, plus an additional premium** calculated by determining the sum of the difference between the charge for a loan policy in the amount of the current amount of insurance before the amount of insurance is increased, and the charge for a loan policy in the amount of the increased insurance utilizing the appropriate brackets in the schedule of basic premium rates in effect as of the date of the endorsement. Finally, please note the minimum combined charge for this endorsement has been increased from \$90.00 to **\$175.00.**

11. NMAC §13.14.18.11 (Additional Affirmative Coverages) - Subparagraph B has been amended to clarify that when providing additional affirmative coverages on loan policies (only), the following language may be added to the restriction exception - if approved by WFG's underwriting counsel -:

“Violations of this restriction (or these restrictions), if any, and any future violation thereof shall not cause a forfeiture or reversion of title and will not affect the validity or priority of the lien of the mortgage herein insured. This assurance does not extend to restriction(s) relating to environmental protection unless a notice of violation thereof has been recorded or filed in the public records and is not referenced in Schedule B. However, this policy insures that any violation of this restriction (or these restrictions) relating to environmental protection shall not cause a forfeiture or revision of title and will not affect the validity or priority of the lien of the mortgage insured herein.”

Click [HERE](#) to download New Mexico Rate Card

Click [HERE](#) to download New Mexico Statistical Transaction Codes

Click [HERE](#) to download Section 59A-30-6-1. Premiums; refinanced property. (2009).

Click [HERE](#) to download New Mexico Register

NOTE: This Bulletin is intended for use by title issuing offices, title insurance agents and approved attorneys of WFG National Title Insurance Company only. Reliance by any other person or entity is unauthorized. This bulletin is intended solely for the purpose of establishing underwriting policies and/or procedures of WFG National Title Insurance Company.