WFG Underwriting Bulletin

To: All New York Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: June 8, 2016
Bulletin No. NY 2017-06
Subject: "IN REM" TAX TITLES- NYS

Titles that are conveyed by a non-judicial "In Rem" proceeding are inherently risky and WFG is reluctant to insure them.

However, there are instances when consideration must be given to insuring these titles, and not rejecting them out of hand. The following is a guide for review of these titles.

Most municipalities follow the procedure in Article 11 of the Real Property Tax Law. This Law has been in effect for over 20 years, has been extensively litigated, and meets constitutional standards if strictly complied with. However, some municipalities follow their own local laws, and this bulletin is not intended to apply to those procedures.

Attached below is a checklist of documents that must be reviewed before insuring these titles. As stated above, the statute must be strictly complied with, and any errors or omissions on the part of the municipality will cause us to decline to insure.

Checklist for In Rem Tax sales

In addition to review of the documents, we also require that at least two years have passed since the recording of the tax deed in order to give us the protection of the statute of limitations in section 1137, and will decline to insure any title where the foreclosed owner is still in possession.

Underwriting Counsel should be contacted with regard to any questions of insuring an "in rem" tax title.

Please contact underwriting Counsel with any questions.