

## WFG Informational Bulletin

To: All New York Policy Issuing Agents of WFG National Title Insurance Company  
From: WFG Underwriting Department  
Date: November 7, 2017  
Bulletin No: NY2017-12  
Subject: DFS Regulation 206

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The amendments to various sections of New York Regulation 11 NYCRR, commonly known as Regulation 206, first proposed in 2014, are now permanent and must be followed by all agents doing business in New York.

Prior bulletins NY14-07, NY14-08, and NY14-09 advised of some of the changes in a piecemeal manner, but the following is a more complete review of the sections of the regulation. Please re-read these bulletins and the regulations. Your continued licensing in NY will depend on compliance.

**Sections 20.1, 20.2** are administrative, referring to forms.

**Sections 20.3, 20.4** emphasize the fiduciary nature of the agent and underwriter, and allow premium dollars to be deposited in a separate premium account. The fact that this account includes both premiums due to the underwriter and a portion to be retained by the agent does not constitute comingling of the accounts. Record keeping requirements are included.

**Section 20.6** requires that all fees collected be pursuant to a written memorandum detailing the services provided. The memorandum must be signed by the party charged. The collection of these fees may be by a check that includes premium dollars to be deposited in a premium account so long as the agent promptly withdraws their portion of the fees from the premium account. **It does not seem to allow the deposit of the check in any account other than a premium account**

**Section 29.5, 29.6** requires the filing of a disclosure statement when issuing a policy to a governmental unit, except when insuring a **mortgage** policy to an IDA or State of NY Mortgage agency. A form is included.

**Sections 30.3, 35.6** create several levels of disclosure. The agent is required to publish on its website a range of charges for title insurance, any ancillary and discretionary fees for services related to the title transaction and not included in the premium. The agent shall conspicuously post in its place of business and website the above fees and provide a copy of the fees to an applicant or potential applicant in a written document. Please refer to NY14-07 for further details.

**Sections 34.1, 34.2** in a roundabout way require each office to have a supervising person.

**Section 35** regulates affiliated business arrangements. Please refer to NY14-09 for further details, but the provisions have been somewhat refined and expanded since 2014. **A significant change - section 35.4(f) has been added, requiring the agent tied to the affiliated source to:**

- **Have its own employees.**
- **Perform substantially all core title services.**
- **Actively compete in the marketplace for other sources of business.**

Attached our the links to Reg. 206 and our prior bulletins.

[Reg. 206](#)

[WFG NY Bulletin No. NY14-07](#)

[WFG NY Bulletin No. NY14-08](#)

[WFG NY Bulletin No. NY14-09](#)

*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.*