

WFG Informational Bulletin

To: All New York Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: January 22, 2019
Bulletin No.: NY 2019-01
Subject: Decision on Appeal- Regulation 208

The Appellate Division has ruled on the appeal filed by DFS in NYSLTA v. The New York State Department of Financial Services. Unfortunately, the ruling reinstated much of Regulation 208 including restrictions on entertainment and marketing, a 5% reduction in rates and certain ancillary fees. The good news is that Closers are able to charge pick up fees and receive gratuities for their services. At this time, the NYSLTA is speaking with their attorneys to see what the next step will be and we will continue to keep you updated as more information becomes available.

Below is a summary of the decision:

Section 228.2 Regulations on entertainment and marketing expenses are in full effect **immediately**.

Section 228.3(c) (iii) -5% Rate Reduction- The court decided that this was a valid exercise of authority by DFS and we are waiting to get clarification on when this will go into effect.

Section 228.5 (a) (1) (2) and (3) - There are no caps on fees that may be charged for bankruptcy searches, patriot searches and municipal searches not conducted and billed by the municipality. If you order searches directly from a municipality there is a cap of 100% of the fair market value of the search as charged by a non-affiliated third party in that county plus the charge by the municipality.

Section 228.5 (a) (4) (5) (6) (7) and (8)- The court reinstated the following caps on **residential properties**:

Survey inspections at \$75 + your out of pocket cost

Escrows at \$50 per escrow

Recording at \$25 per instrument + your out of pocket cost

For overnight mail charges, the out of pocket cost

These caps go into effect immediately.

Section 228.5 (d) (1) and (2) – Closers may collect pick up fees and accept gratuities on all transactions. This applies to all closers. There are no distinctions between in-house and independent title closers.

It is important to remember that all charges where the cap has been eliminated must be “reasonable.”

We will continue to update you as more information becomes available and if you have any questions please call us to clarify.

Click [HERE](#) to download a copy of the REG 208.

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.