

WFG Underwriting Bulletin



To: All New York Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: February 18, 2020
Bulletin No: NY 2020-05
Subject: New Reverse Mortgage Requirements

An Amendment to the Real Property Law in New York State will take effect on March 5, 2020.

The bill amends the RPL by adding section 280-b. The new law provides additional consumer protections for homeowners taking out a reverse mortgage and includes a requirement that both the borrower and lender are represented by counsel at the closing in addition to other protections. Failure to comply with the new provisions is a complete defense to a foreclosure action.

The current TIRSA Reverse Mortgage Endorsement is being revised to reflect the provisions of Section 280-b. Until such time as the new endorsement is filed and approved for use, any policy insuring a reverse mortgage on or after March 5, 2020 must contain the following exception:

Policy will not insure against loss or damage as a result of a violation of any of the provisions of the New York Reverse Mortgage Statute Section 280-b of the Real Property Law or any successor statute or regulation pertaining thereto.

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.