



New York Underwriting Bulletin

From: Michael Kelly, New York State Counsel

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Bulletin No: NY14-07 Amended
Replacing NY14-07

Name: Disclosure of Fees and Charges

The New York Licensing law requires some significant changes in procedures for all agents doing business in New York. These disclosures are unique to New York and are in addition to any disclosures required by Federal Regulations.

This bulletin is a summary of the regulations regarding fees and disclosures, and your attention is directed to the addendum "Regulations and Statutes" included with this bulletin.

Effective September 27, 2014, there will be three levels of disclosure of fees and charges.

Posting of fees and charges:

A new regulation, officially known as 11 NYCRR 35.6(b), requires a title insurance agent to post the range of charges for title services on its website.

The Department of Financial Services has not published guidance as to what is meant by a "range of charges for title services", although clarification has been promised at some point in the future. The word "range implies a general scope rather than specific charges that may pertain in the various jurisdictions in the state; "title services" is not defined, but should be considered in conjunction with the disclosure required by Insurance Law section 2119(b) below. The disclosure required by those agents who do not have a web site would probably be satisfied by the 2113(b) disclosure to all the potential applicants.

Disclosure at time of application (Good Faith Estimate):

Insurance Law section 2113(b) and regulation 11 NYCRR 30.3(b), as modified by 11 NYCRR 30.3(g) 2113(b) requires a good faith estimate of charges, including premiums, and a breakdown of all other fees and charges, including recording charges, service charges, and other ancillary charges. It must include a breakdown of the commission or premium split. Regulations 30.3(b) and (g) asks for additional information as well as some information that has no application to what we do. To the extent that the

answer is “none” with respect to some of the 30.3(b) items, the DFS has stated that we should indicate none. Despite the language in 30.3(b), these disclosures are mandatory for title insurance agents

The Land Title Association is creating a disclosure form to be reviewed by the DFS for compliance. We have requested clarification of some of the vague requirements in these regulations. In the meantime, it is suggested that you amend whatever form you use as a confirmation to add the additional disclosures.

This disclosure is to be made to the applicant, who is defined as the owner or mortgagor of the property, or to their attorney, who may not be the same party that gave you the order.

Disclosure at time of closing:

Two similar provisions govern this-Insurance Law 2119(f) and 11 NYCRR 35.6(a). They seem to make a distinction between title insurance premiums and all the other charges for services performed in connection with the issuance of a policy. A detailed invoice at closing, signed by the party to be charged, should satisfy this requirement. If some services are being provided by a third party, such as closing attendance or “pick-up” fees, a separate invoice from the party to whom the payment is being made would be required.

Please contact me at mkelly@wfgnationaltitle.com with any additional questions, and I will do my best to get answers.