



Oregon Title Insurance Rating Organization (OTIRO)

Limited Coverage Loan Policy (LCLP)  
OTIRO No. PLL-01

LIMITED COVERAGE LOAN POLICY OF TITLE INSURANCE

ISSUED BY

**WFG NATIONAL TITLE INSURANCE COMPANY**

POLICY No.: <Policy\_Number>

1. SUBJECT TO THE EXCLUSIONS FROM COVERAGE AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, WFG National Title Insurance Company, a South Carolina corporation, herein called the Company, has examined the public records in the jurisdiction where the Mortgaged Premises is located and certifies to the Lender named in Exhibit I (attached) and the Lender's successors and assigns, that as of the date shown in Exhibit I:
  - (i) the purported Owner of the Mortgaged Premises is as stated in Exhibit I, according to the last document in the chain of title appearing to convey fee title;
  - (ii) that the legal description and address of the Mortgaged Premises as shown in Exhibit I are correct; and
  - (iii) that there are no monetary liens affecting the Mortgaged Premises other than those shown in Exhibit II (attached).
2. The Company certifies to the Lender and its successors and assigns, the correctness of the matters set forth herein and the Lender for itself and its successors and assigns agrees that this Limited Coverage Loan Policy constitutes the entire contract between the Lender and the Company and shall be the sole basis of any claim against the Company.
3. If a claim is made under this Policy, the Company will be relieved of all its liability hereunder by either: (1) taking such action as will protect Lender against loss arising from any incorrectness in the Company's certification hereunder, or (2) purchasing from the Lender or its successors or assigns the debt secured by Lender's Mortgage (being the mortgage or deed of trust referred to in the application for this Policy), for an amount equal to the balance of the debt at time of purchase, whereunder the Lender shall transfer and assign said debt and the mortgage and any collateral securing the same to the Company.
4. The Company makes no representation regarding the legal effect or priority of any monetary lien shown in Exhibit II or in any endorsement which may be attached to this Policy. The Company makes no representation regarding the condition of title to the Mortgaged Premises, except as to the matters specifically certified herein.

**In Witness Whereof**, WFG NATIONAL TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

**WFG NATIONAL TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
President

ATTEST: \_\_\_\_\_  
Secretary



## SCHEDULE OF EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy:

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of policy power unless notice of the exercise of such rights appears in the public records at date of policy.
3. Defects, liens, encumbrances, adverse claims or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant at date of policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to date of policy, or (e) resulting in loss or damage which would not have been sustained if the insured claimant had been a bona fide purchaser or encumbrancer for value.

## CONDITIONS AND STIPULATIONS

### 1. Definition of Terms.

The following terms when used in this policy mean:

- (a) "Lender": the Lender, its successors and assigns named in Exhibit I.
- (b) "Lender claimant": a Lender, its successors and assigns, claiming loss or damage hereunder.
- (c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of any public records.
- (d) "mortgaged premises": the mortgaged premises described, specifically or by reference in Exhibit I and improvements affixed thereto which by law constitute real property.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "public records": those records which by law impart constructive notice of matters relating to the land.

### 2. Notice of Claim to be Given by an Insured Claimant.

The Lender shall notify the Company promptly in writing in case knowledge shall come to a Lender hereunder of any claim for which the Company may be liable by virtue of this policy. If such prompt notice shall not be given to the Company, then as to such Lender all liability of the Company shall cease and terminate in regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify shall in no case prejudice the rights of any Lender under this policy unless the Company shall be prejudiced by such failure and then only to the extent of such prejudice.

### 3. Proof of Loss or Damage - Limitation of Action.

In addition to the notice required under Paragraph 2 of these Conditions and Stipulations, a proof of loss or damage, signed and sworn to by the lender claimant shall be furnished to the Company within 90 days after the lender claimant shall ascertain or determine the facts giving rise to such loss or damage. Such proof of loss or damage shall describe the defect in, or lien or mortgage on the title, or other matter insured against by this policy which constitutes the basis of loss or damage, and, when appropriate, state the basis of calculating the amount of such loss or damage.

Should such proof of loss or damage fail to state facts sufficient to enable the Company to determine its liability hereunder, lender claimant, at the written request of the Company, shall furnish such additional information as may reasonably be necessary to make such determination.

No right of action shall accrue to lender claimant until 30 days after such proof of loss or damage shall have been furnished.

Failure to furnish such proof of loss or damage shall terminate any liability of the Company under this policy as to such loss or damage.

#### **4. Options to Pay or Otherwise Settle Claims.**

The Company shall have the option to pay or otherwise settle for or in the name of a lender claimant any claim insured against, or to terminate all liability and obligations of the Company hereunder by paying or tendering payment of the amount of loss or damage or the amount of insurance under this policy.

No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

This policy automatically becomes null and void in the event that the face amount of the mortgage exceeds the sum of \$100,000.00.

#### **5. Determination and Payment of Loss.**

(a) The liability of the Company under this policy shall in no case exceed the least of:

- (i) the actual loss of the insured claimant; or
- (ii) the amount of insurance stated in Exhibit I.

(b) When the amount of loss or damage has been definitely fixed in accordance with the conditions of this policy, the loss or damage shall be payable within 30 days thereafter.

#### **6. Limitation of Liability.**

No claim shall arise or be maintainable under this policy (a) if the Company, after having received notice of an alleged defect, lien or mortgage insured against hereunder, by litigation or otherwise, removes such defect, lien or mortgage within a reasonable time after receipt of such notice; (b) in the event of litigation until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the certifications of this policy; or (c) for liability voluntarily admitted or assumed by a lender without prior written consent of the Company.

#### **7. Reduction of insurance - Termination of Liability.**

All payments under this policy shall reduce the amount of the insurance pro tanto.

#### **8. Subrogation upon Payment or Settlement.**

Whenever the Company shall have paid or settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the lender claimant. The Company shall be subrogated to and be entitled to all rights and remedies which such lender claimant would have had against any person or property in respect to such claim had this policy not been issued, and the Company is hereby authorized and empowered to sue, compromise or settle in its name or in the name of the lender to the full extent of

the loss sustained by the Company. If requested by the Company, the lender shall execute any and all documents to evidence the within subrogation. If the payment does not cover the loss of such lender claimant, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. If loss should result from any act of such lender claimant, such act shall not void this policy, but the Company, in that event, shall as to such lender claimant be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation.

**9. Liability Limited to this Policy.**

This instrument together with all endorsements and other instruments, if any, attached hereto by the Company is the entire policy and contract between the lender and the Company.

Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

**10. No Duty of Defense.**

The Company shall have no obligation to accept a tender of the legal defense of the lender involving any claim for which the Company may be liable by virtue of this policy.

**11. Notices - Where Sent.**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at 12909 SW 68th Pkwy., Suite 350, Portland, OR 97223, Attention: Claims Department. WFG National Title Insurance Company's telephone number is (800) 334-8885. Email address: [claims@wfgnationaltitle.com](mailto:claims@wfgnationaltitle.com).