



PENNSYLVANIA UNDERWRITING BULLETIN

FROM: Underwriting Department

DATE: July 1, 2014

TO: All Pennsylvania Policy Issuing Agents of WFG National Title Insurance Company

BULLETIN No.: 2014-02

SUBJECT: Revisions to Pennsylvania Manual of Rates and Charges

The Pennsylvania Title Insurance Rating Bureau has revised the Manual of Rates and Charges. The effective date of the revised manual is July 1, 2014. The Manual contains revisions to 2 endorsement forms and 9 new endorsement forms. Three of the new forms relate to mechanic's liens. As the result of the addition of new endorsements for mechanic's lien coverage Section 5.11 has also been revised.

New Endorsements

TIRBOP - Endorsement PA 501
(ALTA 11-06) Mortgage Modification Loan Policy Only

This endorsement insures against loss sustained by reason of the invalidity or unenforceability of the Insured Mortgage as a result of a post-policy modification of the Insured Mortgage. It also insures against loss or damage resulting from the failure of the priority of the Insured Mortgage over defects, liens or encumbrances occurring after the effective date of the policy and before the date of endorsement, except as to any specified exceptions. **This endorsement does not change the Date of Policy. This endorsement is only available within one year from the date of the Insured Mortgage.** Use of this endorsement is prohibited in conjunction with the issuance of a policy insuring 1-4 family residential property. The Charge for this endorsement is set forth in Section 5.65 of the Manual (which is 25% of the Non-Sale rate for the unpaid principal balance of the loan).

TIRBOP- Endorsement PA 1341
(ALTA 35-06) Minerals and Other Substances- Buildings Loan Policy Only

This endorsement insures against loss or damage by reason of the enforced removal or alteration of any Improvement [buildings] resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances. The Charge for this endorsement is \$500.00. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property.

TIRBOP- Endorsement PA 1351

((ALTA 35.1-06) Minerals and Other Subsurface Substances-Improvements Loan Policy Only

This endorsement insures against loss or damage by reason of the enforced removal or alteration of any Improvement [including a building, structure located on the surface of the Land and any paved road, walkway, parking area, driveway or curb] resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances. The Charge for the endorsement is 5%, calculated in accordance with Section 5.2, with a minimum Charge of \$500.00. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property.

TIRBOP Endorsement PA 1361

(ALTA 35.3-06) Minerals and Other Subsurface Substances-Land Under Development Loan Policy Only

This endorsement insures against loss or damage by reason of the enforced removal or alteration of any Improvement or Future Improvement [including a building, structure located on the surface of the Land and any paved road, walkway, parking area, driveway or curb] resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances. The Charge for the endorsement is 10%, calculated in accordance with Section 5.2, with a minimum Charge of \$500.00. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property

TIRBOP Endorsement PA 1480

(ALTA 9.3-06) (revised 04/02/13) Covenants, Conditions and Restrictions Loan Policy Only

This endorsement insures against loss or damage by reason of a violation of a Covenant that (a) divests, subordinates or extinguishes the lien of the Insured Mortgage or (b) that results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage. It also insures against loss or damage by reason of (i) a violation of an enforceable Covenant unless an exception in Schedule B identifies the violation, (ii) enforced removal of an Improvement as a result of a violation of a building setback line shown on a recorded subdivision plan, and (iii) notice of a violation recorded in the Public Records of an enforceable Covenant relating to environmental protection. The Charge for this endorsement is 5%, calculated in accordance with Section 5.2, with a minimum Charge of \$75.00.

TIRBOP Endorsement PA 1490

(ALTA 9.9-06) (revised 04/02/13) Private Rights Owner's Policy Only

This endorsement insures against loss or damage if enforcement of a Private Right in a Covenant affecting the Title at Date of Policy causes a loss of the Insured's Title. Private Right is defined as (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant. This endorsement permits a specific Private Right to be excluded from coverage. The Charge for this endorsement is 10%, calculated in accordance with Section 5.2, with a minimum Charge of \$1,000.00. Use of this endorsement is prohibited in conjunction with the issuance of an owner's policy insuring 1-4 family residential property.

TIRBOP Endorsement PA 1500

(ALTA 32.06) – Construction Loan – Loss of Priority Loan Policy Only

This endorsement deletes Covered Risk 11(a) of the ALTA Loan Policy of Title Insurance, as modified by TIRBOP, (06/17/06) and provides the coverage set forth in section 3 which insures against (a) loss or

damage by reason of the invalidity or unenforceability of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage; (b) the lack of priority of the lien of the Insured Mortgage for each Construction Loan Advance over any recorded lien or encumbrance not shown in Schedule B; and (c) the lack of priority of the lien of the Insured Mortgage over any unrecorded mechanics' liens but only for such mechanic lien claims which were designated for payment in the Construction Loan Advance and disbursed on or before Date of Coverage. The Charge for this endorsement is set forth in Section 5.11B of the Manual.

TIRBOP Endorsement PA 1510

(ALTA 32.1-06) (revised 04/02/13) Construction Loan-Loss of Priority-Direct Payment Loan Policy Only

This endorsement deletes Covered Risk 11(a) of the ALTA Loan Policy of Title Insurance, as modified by TIRBOP, (06/17/06) and provides the coverage set forth in section 3 which insures against (a) loss or damage by reason of the invalidity or unenforceability of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage; (b) the lack of priority of the lien of the Insured Mortgage for each Construction Loan Advance over any recorded lien or encumbrance not shown in Schedule B; and (c) the lack of priority of the lien of the Insured Mortgage over any unrecorded mechanics' liens but only for such mechanic lien claims which were designated for payment in the Construction Loan Advance. This endorsement requires direct payment to contractors and materialmen to be made by the Company or by the Insured with the Company's written approval. The Charge for this endorsement is set forth in Section 5.11B of the Manual.

TIRBOP Endorsement PA 1520

(ALTA 33-06) Disbursement Loan Policy Only

This endorsement can only be issued in conjunction with TIRBOP Endorsement PA 1500 or 1510 and advances the Date of Coverage for Construction Loan Advances. The endorsement includes an option to state the current disbursement amount and to state the aggregate amount, including the current disbursement amount. The Charge for this endorsement is set forth in Section 5.11B of the Manual.

Revised Endorsements

TIRBOP Endorsement PA 1033

(ALTA 9.6-06 as modified by TIRBOP) (revised 04/02.13) – Private Rights Loan Policy Only

This endorsement insures against loss or damage due to the enforcement of a Private Right contained in a Covenant that (a) results in the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage, or (b) causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the indebtedness. Private Right is defined as (i) a private charge or assessment; (ii) an option to purchase; (iii) a right of first refusal; or (iv) a right of prior approval of a future purchaser or occupant. This endorsement permits a specific Private Right to be excluded from coverage. The Charge for this endorsement is \$500.00. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property.

TIRBOP Endorsement PA 1260

(ALTA 12-06, as modified by TIRBOP) (revised 04/02/13) Aggregation/Tie-in Intrastate Only

This endorsement aggregates the coverage of two or more policies insuring premises in Pennsylvania. Certain Conditions of the policy are amended by this endorsement. The Charge for this endorsement is \$100.00. Use of this endorsement shall also be prohibited to aggregate the liability of any policies issued

for Pennsylvania properties with properties situate outside the Commonwealth of Pennsylvania. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property.

Changes to Section 5.11 of the Rate Manual

5.11 MECHANICS' LIEN INSURANCE

If, by reason of the visible commencement of erection or construction of an improvement, a statutory lien for labor or material may gain priority over the instrument being insured, an additional Charge for insurance covering unfiled mechanics' and materialmen's liens shall be made as follows:

Non Construction Mortgage

When a Loan Policy is to be issued insuring a mortgage, other than a purchase money mortgage or a construction mortgage as provided in Section 5.11B, the additional Charge shall be 20%, calculated in accordance with Section 5.2.

Construction Mortgage

When a Loan Policy is to be issued insuring a construction mortgage, the additional Charge shall be 20% calculated in accordance with Section 5.2, unless it is issued with either TIRBOP Endorsement PA 1500 or PA 1510 and with TIRBOP Endorsement PA 1520. In that event, the additional Charge shall be 10% calculated in accordance with Section 5.2 for either TIRBOP Endorsement PA 1500 or 1510 and \$100.00 for TIRBOP Endorsement PA 1520. The Charge for the TIRBOP Endorsement PA 1520 shall be made each time it is issued.

Owners Policy

When insurance covering unfiled mechanics' and materialmen's liens is provided in an Owner's Policy, the additional Charge shall be 25% calculated in accordance with Section 5.2.

D. Waiver of Additional Charge

The Insurer reserves the right to waive the additional Charge, as set forth in Sections 5.11A or C above, when, in its opinion, based upon the protective devices and procedures used in the transaction, the risk involved does not warrant payment thereof. The additional Charge, when insuring a construction mortgage as set forth in Section 5.11 B above, shall not be waived.

If you have any questions, please contact your underwriter.

NOTE: This Bulletin is intended for use by title issuing offices, title insurance agents and approved attorneys of WFG National Title Insurance Company and any reliance by any other person or entity is unauthorized. This bulletin is intended solely for the purpose of underwriting policies of WFG National Title Insurance Company.