



UNDERWRITING BULLETIN - TEXAS

No. 30

DATE: April 1, 2013

RE: Reservation of Minerals by the FDIC

The FDIC has announced that, effective April 1, 2013, it will reserve minerals when selling owned real estate. Mineral reservations may already be included in some existing FDIC contracts. The new policy applies to all sales of real property except for (1) individual condominium units, and (2) any transaction of \$50,000.00 or less.

Review the sales contract and closing instructions carefully and make sure that an appropriate exception to the FDIC's mineral reservation is taken in any policies issued. Nothing herein affects a title company's right to use the general mineral exception or exclusion found in Procedural Rule P-5.1.

The FDIC intends to waive surface rights when selling property located within incorporated cities, but will not waive surface rights on rural property.

Procedures have been established for buyers who want to purchase the FDIC's mineral rights; a separate appraisal of the mineral rights must be done, and the FDIC must confirm that the mineral rights in the property have not previously been conveyed. Those situations involve affirmative sales of minerals, and should be distinguished from the 2 types of sales, described above, where the FDIC is simply not reserving minerals. If you take in a contract where the FDIC is affirmatively selling its minerals, please contact Underwriting.

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