



WFG Rate and Form Bulletin



To: All Texas Policy Issuing Agents of WFG National Title Insurance Company

From: WFG Underwriting Department

Date: October 29, 2024

Bulletin No.: TX 2024-25

Subject: Rule and Form Changes to the Basic Manual Effective November 1, 2024:

Part 2 of 6 - T-19 Series, Additional Insured, Aggregation, Property Tax, and Revolving Credit Endorsements; T-47 Forms; Electronically Signed Checks; FINT forms; PC150 form.

Effective Friday, November 1, 2024, the Texas Department of Insurance has approved multiple changes to a number of Insuring Forms, Rate Rules, and Procedural Rules in the Basic Manual. WFG is providing notice and explanation of these changes in a series of six bulletins.

This Bulletin details the substantive changes made to multiple endorsements, accompanying rate and procedural rules, the Insured Closing Letter, and administrative forms.

The revised T-50 Insured Closing Letter will be available in WFG's AMS2 system beginning November 1, 2024. The revised forms should be available through your software vendors by November 1, 2024, as well as on WFG's Texas Underwriting website, <https://wfgunderwriting.com/texas>.

A. Amendment to P-20.C Not Yet Due and Payable Coverage Year

Changes:

- Revises the first paragraph of P-20.C to state that if a title company is satisfied that all taxes, standby fees and assessments by all taxing units for the year inserted in the standard tax exception are not yet due and payable, the following language may be added to the standard tax exception in the loan policy or ICB: ***“Company insures that standby fees, taxes and assessments by any taxing authority are not yet due and payable for the year _____.”***
- Revises the second paragraph of P-20C to state that if some, but not all taxes, standby fees, and assessments for the year inserted in the standard tax exception are not yet due and payable, then the title company may add the following after the standard tax exception: ***“Company insures that standby fees, taxes and assessments by only [insert name of applicable taxing unit or units] are not yet due and payable for the year _____.”***

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Effect of the Changes:

- The blank for the year at the end of the line allows a title company to either:
 - Insert the current year if taxes for the current year are not yet due and payable, or
 - Insert the next calendar year if the current year's taxes have already been paid pursuant to P-20.A.
- The revisions should satisfy those lenders who require the "not yet due and payable" language to apply for the next year calendar year, when all taxes for the current year have been paid.
- However, the \$5 rate in R-24 for "not yet due and payable" coverage has NOT changed.

B. Clarifying Revisions to the T-47 Affidavit and Addition of the T-47.1 as an Unsworn Declaration

Changes:

- Makes revisions to clarify the T-47 Affidavit, including the following:
 - Includes an additional blank at the top for the affiant to clearly state the date of the prior survey;
 - Lists "deckings" in paragraph 4.a as a possible change to the property since the date of survey;
 - Specifies that "construction projects on immediately adjoining property(ies)" in paragraph 4.c includes construction on or near the boundary of the subject property; and
 - Allows independent signatures where there are multiple affiants.
- Adds **NEW Form T-47.1**, which includes all of the same information as the T-47 Affidavit, but is signed under penalty of perjury as a statutory declaration and thus DOES NOT REQUIRE NOTARIZATION.
- Redlined and clean copies of the T-47 and a copy of the new T-47.1 are available here: [T-47 Exhibit](#)

Effect of the Changes:

- The date to be used in the revised T-47 is the date of the existing survey, not the date the affiant purchased the property.
- The new T-47.1 can be signed and finalized without a notary.
- TREC has proposed changes to paragraph 6.C(1) of the One-to-Four Family Contract to include the option of providing the T-47.1 in lieu of the T-47. We will let you know when those changes become effective.

Underwriting Requirements:

- Customers may provide either the T-47 or the T-47.1 for use with a prior survey.
- But both forms must contain accurate information and be properly executed (and notarized, if the T-47 form is used).

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C. Amendments to the T-19 Series of Endorsements to Make Language Consistent Throughout the Series

Changes:

- Revises the T-19 (paragraph 4(d)), T-19.1 (paragraph 4(d)), T-19.2, and T-19.3 to make the language regarding coverage for mineral exploration consistent throughout the endorsement series.
- Redlined and clean copies of the T-19, T-19.1, T-19.2, and T-19.3 are available here: [T-19 Exhibit](#)

D. Revised Insured Closing Letter (T-50) to Conform to the ALTA Equivalent

Changes:

- Replaces the existing Insured Closing Letter (a/k/a the “Closing Protection Letter” or “CPL”) with a new Form T-50 that updates formatting, uses plainer language and consistent numbering and letters, and more closely conforms to ALTA’s model Closing Protection Letter.
 - In particular, the new T-50 now includes an exclusion for computer-related fraud, like the ALTA CPL.
- However, the new form retains certain Texas-specific features, including:
 - Coverage for the lender if the closing agent:
 - Fails to follow the closing instructions;
 - Commits fraudulent or dishonest acts;
 - Misappropriates or mishandles funds or documents and
 - No cap on the amount of funds covered.
- The new T-50 will be available in WFG’s AMS2 system on November 1, 2024.

E. Revision to P-57 for the T-26 Additional Insured Endorsement

Changes:

- Revises P-57 to add an “Estate Planning Vehicle” as a permitted additional insured, and include additional requirements for issuing the endorsement.
 - “Estate Planning Vehicle” is defined as a legal entity, trust, or trustee of a trust, if the entity or trust is established by the insured for the purpose of planning the disposition of the Insured’s estate.
- Permitted additional insureds now include:
 - An Estate Planning Vehicle to which the insured conveys the title after Policy Date;
 - A distributee who has acquired an interest according to the terms of an Estate Planning Vehicle;

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- A partnership, limited liability company, or corporation solely composed of or owned by members of the Insured's family and the Insured; or
- Any partner, member or stockholder that acquires the interests of the other owners of the Insured in accordance with the terms and provisions of a written agreement in effect at Date of Policy.
- For Additional Insureds that constitute Estate Planning Vehicles, trust distributees, and entities owned by the Insured and the Insured's family, revised P-57 now requires that:
 - The request for the endorsement must be made within 90 days after the document conveying title to the additional insured is recorded; and
 - The document conveying title to the additional insured must contain a warranty of title.
- Redlined and clean copies of P-57 are available here: [P-57 Exhibit](#)

Effect of the Changes:

- The revisions to P-57 fulfill a request by estate planning professionals to continue owner policy coverage after estate planning conveyances to trusts or entities defined as "Estate Planning Vehicles."
- Neither the T-26 form nor its rate rule, R-33, have changed.
 - The endorsement still does not extend coverage beyond the Policy Date.
 - The cost of the endorsement remains 10% of the basic premium rate of the OP, with a minimum charge of \$25.

Underwriting Requirements:

- For an Additional Insured that is an Estate Planning Vehicle or a distributee that acquired an interest according to the terms of an Estate Planning Vehicle:
 - Review the trust agreement or entity documents that create and govern the Estate Planning Vehicle to confirm it meets the P-57 definition;
 - Ensure the instrument conveying title to the Estate Planning Vehicle or distributee from an Estate Planning Vehicle:
 - Contains a warranty of title (special or general); and
 - Was executed and recorded after the Policy Date; and
 - Confirm the request for the endorsement was made within 90 days after the conveyance to the Estate Planning Vehicle or distributee from an Estate Planning Vehicle was recorded.
- For an Additional Insured that is a family partnership, limited liability company, or corporation ("Family Entity"):
 - Review the entity documents that create and govern the Family Entity to confirm it is solely composed of or owned by members of the Insured's family and the Insured;
 - Ensure the instrument conveying title to the Family Entity:
 - Contains a warranty of title (special or general); and

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- Was executed and recorded after the Policy Date; and
 - Confirm the request for the endorsement was made within 90 days after the conveyance to the Family Entity was recorded.
- For an Additional Insured that is a partner, member, or stockholder that acquired the interest(s) of the other owners of the Insured:
 - Review the entity documents that create and govern the Insured to confirm they allow the Additional Insured entry into the Insured entity.
- Where the Insured is a Limited Liability Company and the “Optional Coverage For Limited Liability Companies” in the T-26 is requested and the box checked:
 - Review the Insured’s formation documents and company agreement and any later documents to confirm they expressly create or allow the subject: (a) transfer of interest(s) in the Insured to the transferee; (b) withdrawal of one or more members of the LLC; or (c) addition of one or more members of the LLC.
- If you have any questions, please contact Texas Underwriting Counsel at SWLegal@wfgtitle.com.

F. Amendment to the T-16 Aggregation Endorsement to Conform to the ALTA Equivalent

Changes:

- Amends the T-16 Aggregation Endorsement to:
 - More closely align with the comparable ALTA aggregation endorsement, the ALTA 12; and
 - Allow for the identification of single risk limits for other states when aggregated policies issued outside of Texas are involved.
- Redlined and clean copies of the T-16 are available here: [T-16 Exhibit](#)

Effect of the Changes:

- The revisions do not alter the coverage of the T-16 as it exists today.

G. Revisions to P-9.b(8) and R-11.f Governing the T-35 Revolving Credit Endorsement to Remove References to “Future Advances”

Changes:

- Revises R-9.b(8), the enacting Procedural Rule for the T-35 endorsement, to:
 - Remove references to coverage for future advances of loan proceeds, and
 - Clarify that coverage is only provided for revolving credit loans (such as a line of credit).
- Adds paragraph (c) to R-9.b(8) to clarify that the endorsement is not to be used for construction lending, stating that the endorsement cannot be issued if the LP includes the cost of immediately contemplated improvements or contains the exceptions under P-8.b.

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- Revises R-11.f and the T-35 to remove references to future advances.
- Redlined and clean copies of P-9.b(8), R-11.f and the T-35 are available here: [P-9.b\(8\), R-11 and T-35 Exhibit](#)

Effect of the Changes:

- The language of the T-35 never provided coverage for future advances, only revolving credit loans. However, the previous title of the endorsement and P-9.b(8) suggested that there was coverage for future advances. The revisions to the endorsement, the Procedural Rule, and the Rate Rule clarify the true effect and coverage of the endorsement by removing all references to future advances.
- New paragraph c of P-9.b(8) also clarifies that the T-35 is not for construction lending.
- The \$50 premium for the T-35 under R-11.f has NOT changed.

Underwriting Requirements:

- The T-35 may not be used to provide policy coverage for future advances. Any advance of additional principal under a note requires a new loan policy.
- The T-35 may not be used for construction loans. Construction loan disbursements are not “future advances” but rather staggered disbursements of the full loan amount that is insured under the LP.

H. Amendment to the MEAPIC, Internal Control No. 5 to Permit Electronically Signed Checks

Changes:

- Amends Minimum Escrow Accounting Procedures and Internal Controls, Internal Control No. 5 to allow escrow checks to be signed electronically.
- Redlined and clean copies of MEAPIC, Internal Control No. 5 are available here: [MEAPIC No. 5 Exhibit](#)

Effect of the Changes:

- Authorized signatories will be able to sign escrow checks without having to be physically present when they are issued.

I. Revisions to the FINT 8, FINT 9, FINT 10, FINT 129, and FINT 143 to Replace the Notary Requirement with an Unsworn Declaration and Update TDI Addresses

Changes:

- Revises the following forms to remove the requirement for notarized signatures and replace it with an unsworn declaration pursuant:
 - FINT 8 – Title Insurance Licensing Biographical Information
 - FINT 9 – Escrow Officer Appointment
 - FINT 10 – Title Insurance or Direct Operation Appointment
 - FINT 129 – Title Insurance Agent or Direct Operation Change Request Form

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- FINT 143 – Application for Title Insurance Agent or Direct Operation License
- Also revises these forms to update mailing and email addresses.

Effect of the Changes:

- Authorized signatories will be able to sign these forms without having their signatures notarized, saving time and effort when submitting them to TDI.

J. Revisions to PC150, Independent Auditor’s Report Form, to Meet Accounting Industry Standards

Changes:

- Revises Form PC150, the auditor’s opinion letter (Exhibit A) in Section 5 of the Basic Manual, to meet the Texas State Board of Public Accountancy’s current standards.
- Redlined and clean copies of PC150 are available here: [PC150 Exhibit](#)

If you have any questions, please contact Texas underwriting counsel at SWLegal@wfnationaltitle.com.

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