

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 2024-28

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

Part 4 of 6: Rate Rule 11 for the Assignment of Mortgage, LP & ICB Down Date, and Modification Endorsements; Rate Rules 5, 15, 30

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 bulletins.

This Bulletin explains the Rate Rule changes that affect the Assignment of Mortgage, Down Date, Modification, and Access endorsements, as well as the R-5 simultaneous rate.

The revised rates and 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>. The WFG Rate Calculator, available at <https://rates.wfgnationaltitle.com/>, will also be updated with the revised Rate Rules beginning November 1, 2024.

A. Changes to R-11 rates for the T-3 (Assignment of Mortgage), T-38 (Modification), and T-3 (LP and ICB Down Date) Endorsements

Changes:

- Amends R-11.A to revise the premium for the T-3 Assignment of Mortgage Endorsement (Instruction III) as follows:
 - If issued within 12 months after the date of the LP, the premium = Minimum Basic Premium Rate ("MBPR");¹
 - If issued more than 12 months after the date of the LP, the premium = MBPR plus \$100 for each additional full or partial 12-month period;
 - Maximum premium must not be more than 50% of the LP premium based on the current basic premium rate schedule.

¹ As of the date of this Bulletin, the MBPR is \$328.

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

- Amends R-11.B to revise the premium for the T-38 Modification Endorsement as follows:
 - If issued within 12 months after date of the LP, the premium = MBPR;
 - If issued more than 12 months after the date of the LP, the premium = MBPR plus \$25 for each additional full or partial 12-month period;
 - Maximum premium must not be more than 50% of the LP premium based on the current basic premium rate schedule.
- Amends R-11.C to revise the premium for the T-3 Down Date Endorsement (Instruction V (LP) and VII (ICB)) as follows:
 - If the land in the LP or ICB is Residential Real Property,² the premium = \$50;
 - If the land in the LP or ICB is not Residential Real Property, the premium = \$100.
- A redlined and a clean copy of R-11 is available here: [R-11 Exhibit](#)

Effect of the Changes:

- These changes are a reflection of the costs and risks associated with issuing these endorsements.
- The revision to R-11.C also recognizes the different costs and risks associated with construction on Residential Real Property and non-Residential real Property.
- **NOTE:** The R-11 rates for the following endorsements have NOT changed:
 - T-33 (Variable Rate Mortgage) = \$20
 - T-33.1 (Variable Rate Mortgage – Negative Amortization) = \$20 (or \$0 if there was an additional premium charge for the LP because of the increased policy amount)
 - T-31 (Manufactured Housing Unit) = \$20
 - T-31.1 (Supplemental Coverage Manufactured Housing Unit) = \$50
 - T-36 (Environmental Protection Lien) = \$25
 - T-39 (Balloon Mortgage) - \$25 (at the time of policy) and \$50 (after the date of policy)
 - T-14 (First Loss) = \$25
 - T-16 (Aggregation) = \$25
 - T-17 (Planned Unit Development) = \$25
 - T-28 (Condominium) = \$0

B. Revisions to R-5.B, C, D, and F

Changes:

² Please see our Bulletin No. TX 2024-27 discussing the revisions to the definition of Residential Real Property in P-1.u.

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- Continues to allow the simultaneous rate on a LP issued within 90 days after an OP is issued, but:
 - Lowers the OP amount for the application of the simultaneous issue rate up to 90 days after the purchase in R-5.F from \$5 Million to \$1 Million;
 - Limits R-5.F to *commercial transactions*; and
 - Confirms that the original Title Insurance Company that issued the OP MUST be used to issue the LP.
- A redlined and a clean copy of R-5 are available here: [R-5 Exhibit](#)

Underwriting Requirements:

- Continue to apply R-5.B, C and D as you have been doing.
- Apply the R-5.F simultaneous issue rate for an LP issued up to 90 days after the issuance of the OP if the following requirements are met:
 - The OP was issued for \$1,000,000 or greater;
 - The Land is not Residential Real Property as that term is now defined; and
 - The same Title Insurance Underwriter that issued the OP will issue the LP. For example, if WFG is asked to issue a LP under R-5.F, WFG must have issued the borrower's OP.

C. Changes to R-30 for the T-23 Endorsement (Access)

Changes:

- Amends R-30 to provide that the \$100 rate applies to EACH ENDORSEMENT instead of each policy. Therefore, if two endorsements are issued (one for each point of access), the charge would be \$200.
- A redlined and a clean copy of R-30 are available here.

Effect of the Changes:

- You may now charge \$100 for each point of access insured by a T-23 endorsement, instead of \$100/file.

D. Changes to R-15 rates for the T-3 Down Date for OP Endorsement (Instruction VIII)

Changes:

- Amends R-15.B to provide two separate rates for a T-3 OP Down Date Endorsement (Instruction VIII), as follows:
 - If the land in the policy is Residential Real Property as defined by P-1.u, the premium is \$50.00; and
 - If the land in the policy is NOT Residential Real Property, the premium is \$100.00.
- A redlined and a clean copy of R-15 are available here: [R-15 Exhibit](#)

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

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