

WFG Underwriting Bulletin



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

From: WFG Underwriting Department

Date: November 25, 2025

Bulletin No.: TX 2025-44

Subject: 2025 Legislation Effective On or After September 1, 2025; Part 2 of 2

The Regular Session and two Special Sessions of the 89th Texas Legislature resulted in multiple laws that affect real estate and the title insurance industry. This Bulletin is the second of two that provide a summary of the new laws impacting our business that are effective September 1, 2025 or later. Please see [Bulletin No. TX 2025-34](#) dated September 10, 2025 for Part 1 of 2 and [Bulletin No. TX 2025-28](#) dated July 15, 2025 for a summary of legislation from the 89th Legislature that became law prior to September 1.

DEED FRAUD

A. SB 16, 2nd Special Session – Real Property Theft and Fraud

Relating to real property theft and real property fraud; establishing recording requirements for certain documents concerning real property; creating the criminal offenses of real property theft and real property fraud and establishing a statute of limitations, restitution, and certain procedures with respect to those offenses.

IDENTIFICATION FOR FILING: Requires a person filing a document **in person** to present photographic identification to the county clerk.

- Requires the clerk to keep a copy of the ID or information from it, but prohibits the clerk from charging a fee to copy the ID or information.

DEED FRAUD AND DEED THEFT ARE NOW FELONIES: The bill creates the felonies of **real property theft** and **real property fraud** and establishes appropriate penalties for each offense.

- An offense of REAL PROPERTY THEFT is committed if a person:
 - Transfers or attempts to transfer a real property interest without the owner's intent in order to deprive the owner of the interest; or
 - Sells or encumbers (or attempts to do so) a real property interest without the owner's intent in order to deprive the owner of the interest.
- Requires a copy of the conviction to be recorded in the real property records;

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- Requires a court to pay restitution to a title company for the amount it paid in a resulting fraud claim.
- An offense of REAL PROPERTY FRAUD is committed if a person:
 - Intentionally lies to obtain real property, for example, through a forged document; or
 - Causes a person to sign or file a document that would affect a true owner's interest in real property.
- Enhances the punishment for both crimes if:
 - The defrauded owner was an elderly or disabled individual or a nonprofit organization; or
 - The subject property was the owner's homestead for tax purposes.

Effective Date: December 4, 2025, except that Section 4, which allows a county clerk to notify law enforcement of a report of a fraudulent transfer, takes effect January 1, 2026.

Underwriting Requirements: If you suspect your file involves an attempted or prior attempt at deed fraud or deed theft:

- Do not advise the fraudster of your suspicions, but do alert your company's management;
- Create a summary of the red flags (see bulletins [TX 2023-09](#) and [NB 2024-04](#)) that alerted you to the suspected fraud; and
- Alert WFG Underwriting with as many details as possible.

Statutes Primarily Affected: [Code of Criminal Procedure](#), Articles 5C, 12.01; Code of Criminal Procedure, Chapter 42; Government Code, Section 51.091; Government Code, Section 405.022; Local Government Code, Section 191.010; Penal Code, Chapters 31, 32; Property Code, Section 12.001.

ESCROW AND CLOSING

A. SB 1238 – Insurance Discrimination

Relating to prohibited insurance discrimination on the basis of an insured's marital status following the death of the insured's spouse.

Amends the Texas Insurance Code to stop insurers from raising rates, denying coverage, or limiting policies just because someone is widowed, thus ending the so-called "widow penalty." Title insurers and agents may still require reasonable proof for heirship or probate, as long as they treat widowed and non-widowed individuals the same.

Effective Date: September 1, 2025.

Underwriting Requirements: No additional requirements.

Statutes Primarily Affected: [Insurance Code, Section 544.002](#).

B. SB 2221 – Fraudulent Financing Statement

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Relating to the filing of a fraudulent financing statement in relation to certain secured transactions; authorizing the imposition of a fee.

Updates the Texas Business & Commerce Code to help prevent fraudulent UCC financing statements. Bans knowingly false or baseless filings and doubles civil damages to \$10,000 or actual damages, whichever is greater.

Of specific relevance to the title industry, the bill directs the secretary of state to develop a **standardized affidavit form for challenging a fraudulent UCC**. To initiate a challenge to a UCC, a debtor may now file an affidavit and notify the party that holds the purportedly fraudulent lien. The secretary of state will then file a termination notice, which becomes effective after 30 days, unless a listed secured party challenges it in court.

Effective Date: September 1, 2025.

Underwriting Requirements: If you discover a filed termination affidavit and termination notice pursuant to this procedure, contact WFG Underwriting for further review.

Statutes Primarily Affected: [Business & Commerce Code, Sections 9.510, 9.515, 9.5185](#).

C. HB 4325 – Civil Liability

Relating to civil liability for prohibited barratry.

Raises the civil penalty for barratry—the unethical solicitation of clients for legal services—from \$10,000 to \$50,000, along with actual damages and attorney’s fees. Applies only to actions filed on or after September 1, 2025.

Effective Date: September 1, 2025.

Underwriting Requirements: No underwriting requirements. However, agents should be careful when referring parties to title transactions to attorneys, and should clearly document all communication to avoid any appearance that they are soliciting legal work.

Statutes Primarily Affected: [Government Code, Section 82.0651](#).

D. SB 29 – Domestic Entities

Relating to the formation, governance, and internal management of domestic entities.

Amends the Business Organizations Code in effort to make Texas law more favorable to businesses, and to business entities in particular. Title company owners and managers should consider consulting with their business attorney to determine whether they should implement any of the new provisions in the bill.

Effective Date: September 1, 2025.

Underwriting Requirements: No underwriting requirement.

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Statutes Primarily Affected: [Business Organizations Code](#).

REGULATORY

E. SB 1968 – Licensing Requirements for Real Estate Professionals

Relating to the licensing and regulation of certain real estate professionals by the Texas Real Estate Commission.

This bill addresses wide-ranging topics such as TREC courses while attempting to clarify broker obligations post-NAR settlement.

The bill cleans up existing law and clarifies standards for valid TREC courses for sales agents, brokers, and other real estate professionals. An extensive portion of the bill deals with contracts between a broker and a potential buyer. Clarifies when a written agreement is required; among the required terms in the contract is an explanation as to how broker compensation is determined.

Effective Date: January 1, 2026.

Underwriting Requirements: No underwriting requirement.

Statutes Primarily Affected: [Occupations Code, Chapter 1101](#).

CLAIMS

F. SB 687 – Surveyors’ Liability

Relating to liability for land surveying services in or in connection with certain construction or services contracts.

Expands provisions under the Civil Practice and Remedies Code by putting land surveyors on par with architects and engineers when it comes to protections under and obligations in construction contracts. Makes void and unenforceable any construction contract clause that requires a contractor to indemnify a land surveyor for certain damages arising from defects in the surveyor’s designs or services. Allows contracts to require the owner be named as an additional insured in the surveyor’s policy. Makes other related changes.

Effective Date: September 1, 2025.

Underwriting Requirements: No underwriting requirements.

Statutes Primarily Affected: [Civil Practice and Remedies Code, Chapter 130](#); [Local Government Code, Section 281.904](#).

G. SB 38 – Squatter Eviction Proceedings

Relating to the eviction from real property of certain persons not entitled to enter, occupy, or remain in possession of the premise.

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Amends and adds sections to Chapter 24 of the Property Code governing eviction proceedings in order to streamline the eviction process timeline. Orders the Texas Supreme Court to adopt rules as necessary to clarify eviction proceedings that are consistent with the changed statutes. When there are no genuinely disputed facts, the bill allows rental property owners to regain possession of their property more quickly and efficiently.

Effective Date: Applies to an eviction suit filed on or after January 1, 2026.

Underwriting Requirements: If the chain of title indicates a forcible entry and detainer suit commitments must include the standard exception for “Rights of Parties in Possession” absent underwriting approval to delete.

Statutes Primarily Affected: [Property Code, Chapter 24.](#)

H. SB 1333 – Criminal Charges for Squatters

Relating to the unauthorized entry, occupancy, sale, rental, lease, advertisement for sale, rental, or lease, or conveyance of real property, including the removal of certain unauthorized occupants of a dwelling; creating criminal offenses; increasing a criminal penalty; authorizing a fee

Attempts to prevent squatting and real estate fraud by creating felony and misdemeanor charges for presenting fake documents or unauthorized property transactions. Provides law enforcement with expedited authority to remove to remove squatters based on owner’s complaints.

Effective Date: September 1, 2025.

Underwriting Requirements: When the vacancy of insured property is in doubt, Commitments should include the standard exception for “Rights of Parties in Possession.”

Statutes Primarily Affected: [Penal Code, Section 28.03; Penal Code Chapter 32.56, 32.57; Property Code, Chapter 24B.](#)

If you have any questions regarding any of these bills, please contact Texas Underwriting Counsel at SWLegal@wfgtitle.com.

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