

## WFG Informational Bulletin

To: All Utah Policy Issuing Agents of WFG National Title Insurance Company  
From: WFG Underwriting Department  
Date: April 6, 2023  
Bulletin No: UT 2023-01  
Subject: Attorney Opinion Letters

---

### **Background:**

Based on information provided by the American Land Title Association (“ALTA”), Fannie Mae and Freddie Mac have adopted rules that allow them to accept written Attorney Opinion Letters (“AOLs”), in lieu of a title insurance loan policy. This acceptance has been adopted under limited circumstances as a result of Equitable Housing Finance Plans announced by the Federal Home Finance Agency (“FHFA”). As the ALTA works to distribute information comparing title policies to AOLs, they have also been engaging with State Regulators on the limitations and hazards that unregulated title insurance products, including AOLs, present to lenders and consumers.

On March 1, 2023, the Utah Insurance Department issued its Bulletin 2023-2, which addresses the use of AOLs in settling loan transactions in the State of Utah. A copy of the Bulletin has already been sent to all Title Insurance Producers in Utah. In case your company did not receive a copy, it can be accessed via this hyperlink: [Utah Insurance Department Bulletin 2023-2](#)

### **What to Consider:**

Among other important issue in the State’s Bulletin, it is the purpose of this Information Bulletin to draw your attention to the following facts:

- The Department interprets Utah Code Section 31A-23a-406(1)(c) as requiring that title insurance producers issue a title insurance policy in order to settle a real estate transaction.
- AOLs are not title insurance policies and do not replace the coverages afforded to a Lender in a title insurance policy.
- In a transaction utilizing an AOL, no title report or Commitment or title insurance policy will be issued by the settling agent to the proposed Lender, as the AOL is a substitute for the policy.
- In the event a title insurance producer closes the loan transaction, without issuing title insurance policy, the title insurance producer will be in violation of Utah Code Section 31A-23a-406(1)(c).
- Most Lenders require that a Closing Protection Letter (“CPL”) be issued by a title insurer when a settling agent closes a loan transaction, but, as required by the terms of the CPL, no CPL may be issued in behalf of WFG if a title insurance policy is not issued by the settling agent.

It is recommended that each Agent familiarize themselves, their staff, and their loan customers, with the Utah Bulletin.

*Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.*