



T.A. TITLE INSURANCE COMPANY

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DATE: December 21, 2004

TO: ALL PA CLOSING OFFICES & PENNSYLVANIA AGENTS & APPROVED ATTORNEYS

SUBJECT: **New Endorsements & Revisions to Pennsylvania's Manual of Rates and Forms Effective January 1, 2005**

The American Land Title Association has been very active in reviewing, creating and adopting various commercial transaction endorsements. Although these commercial endorsements have been around for some time in one form or another, there was never until now, such a concerted effort to create so many ALTA endorsements.

The hard work of the ALTA Forms committee has culminated in a series of endorsements recently filed by the Title Insurance Rating Bureau of Pennsylvania (TIRBOP) which have been approved for use in Pennsylvania **EFFECTIVE JANUARY 1, 2005**. In conjunction with this filing, there is also a new policy form, a modification to an existing endorsement, and textual changes to improve the clarity and of use of the Rate Manual. There has been no change, however, to the Schedule of Rates - Company or Agent Procedure Rate or the Approved Attorney Procedure Rate.

An explanation of the New TIRBOP Endorsements along with their applicable Charges and other Rate Manual additions and revisions follow.

*** PLEASE MAKE A COPY OF THIS MEMO AND INSERT INTO YOUR TIRBOP PA. RATE MANUAL – NEW MANUALS WILL BE AVAILABLE SHORTLY.**

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**6.34 TIRBOP - ENDORSEMENT PA 1150 - (ALTA ENDORSEMENT 14.2)
FUTURE ADVANCE - LETTER OF CREDIT (01/01/05) - Loan Policy Only**

This endorsement provides limited insurance for loan advances made pursuant to a letter of credit, surety agreement or reimbursement agreement. The Charge for the issuance of the endorsement shall be 10% of the applicable basic or reissue rate. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family real property.

**6.35 TIRBOP - ENDORSEMENT 1160 (ALTA ENDORSEMENT 15)
NONIMPUTATION - FULL EQUITY TRANSFER (01/01/05) - Owner's
Policy Only**

This endorsement insures that the Insurer will not deny liability to certain incoming parties (in a full equity transfer) as a result of the Insured having knowledge imputed to it in partnership, corporate, or limited liability company transactions. This endorsement may only be issued with a simultaneously issued Owner's policy. The Charge for the issuance of the endorsement shall be 20% of the applicable basic or reissue rate. Use of this endorsement is prohibited in conjunction with the issuance of an owner's policy insuring 1-4 family real property.

**6.36 TIRBOP - ENDORSEMENT 1170 - (ALTA ENDORSEMENT 15.1)
NONIMPUTATION - ADDITIONAL INSURED (01/01/05) - Owner's Policy
Only**

This endorsement insures that the Insurer will not deny liability to certain incoming parties (additional insureds) as a result of the Insured having knowledge imputed to it in partnership, corporate, or limited liability company transactions. This endorsement may be issued subsequent to the issuance of the Owner's policy. The Charge for the issuance of the endorsement shall be 20% of the applicable basic or reissue rate. Use of this endorsement is prohibited in conjunction with the issuance of an owner's policy insuring 1-4 family real property.

**6.37 TIRBOP - ENDORSEMENT 1180 - (ALTA ENDORSEMENT 15.2)
NONIMPUTATION - PARTIAL EQUITY TRANSFER (01/01/05) - Owner's
Policy Only**

This endorsement insures that the Insurer will not deny liability to certain incoming parties (in a partial equity transfer) as a result of the Insured having knowledge imputed to it in partnership, corporate, or limited liability company transactions. This endorsement may only be issued with a simultaneously issued Owner's policy. The Charge for the issuance of the endorsement shall be 20% of the applicable basic or reissue rate. Use of this endorsement is prohibited in conjunction with the issuance of an owner's policy insuring 1-4 family real property.

6.38 TIRBOP - ENDORSEMENT 1190 - (ALTA ENDORSEMENT 16)

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MEZZANINE FINANCING (01/01/05) - Owner's Policy Only

This endorsement provides certain coverages to a mezzanine lender under an Owner's policy. The Charge for the issuance of the endorsement shall be 20% of the applicable basic or reissue rate. Use of this endorsement is prohibited in conjunction with the issuance of an owner's policy insuring 1-4 family real property.

**6.39 TIRBOP - ENDORSEMENT 1200 - (ALTA ENDORSEMENT 17)
ACCESS AND ENTRY (01/01/05) - Loan Policy Only**

This endorsement provides coverage to a lender with regard to vehicular and pedestrian access to the insured property. The Charge for the issuance of the endorsement shall be \$100.00. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family real property.

**6.40 TIRBOP - ENDORSEMENT 1201 - (ALTA ENDORSEMENT 17)
ACCESS AND ENTRY (01/01/05) - Owner's Policy Only**

This endorsement provides coverage to an owner with regard to vehicular and pedestrian access to the insured property. The Charge for the issuance of the endorsement shall be 10% of the applicable basic or reissue rate. Use of this endorsement is prohibited in conjunction with the issuance of an owner's policy insuring 1-4 family real property.

**6.41 TIRBOP - ENDORSEMENT PA 1210 - (ALTA ENDORSEMENT 17.1)
INDIRECT ACCESS AND ENTRY (01/01/05) - Loan Policy Only**

This endorsement provides coverage to a lender with regard to vehicular and pedestrian access indirectly to the insured property. The Charge for the issuance of the endorsement shall be \$250.00. Use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family real property.

**6.42 TIRBOP - ENDORSEMENT PA 1211 - (ALTA ENDORSEMENT 17.1)
INDIRECT ACCESS AND ENTRY (01/01/05) - Owner's Policy Only**

This endorsement provides coverage to an owner with regard to vehicular and pedestrian access indirectly to the insured property. The Charge for the issuance of the endorsement shall be 10% of the applicable basic or reissue rate. Use of this endorsement is prohibited in conjunction with the issuance of an owner's policy insuring 1-4 family real property.

**6.43 TIRBOP - ENDORSEMENT PA 1220
REVERSE ANNUITY MORTGAGE (01/01/05) - Loan Policy Only**

This endorsement provides coverage to a lender in conjunction with a reverse annuity mortgage. The Charge for the issuance of the endorsement shall be \$50.00.

**6.44 TIRBOP - ENDORSEMENT PA 1230 - (ALTA ENDORSEMENT 18)
SINGLE TAX PARCEL (01/01/05) - Owner's and/or Loan Policy**

This endorsement provides coverage with regard to assessment as a single tax parcel. The Charge for the issuance of the endorsement shall be \$100.00. Use of this endorsement is prohibited in conjunction with the issuance of owner's and/or loan policies insuring 1-4 family real property.

**6.45 TIRBOP - ENDORSEMENT PA 1240 - (ALTA ENDORSEMENT 18.1 as
modified by TIRBOP) MULTIPLE TAX PARCEL (01/01/2005) - Owner's and/or
Loan Policy**

This endorsement provides coverage with regard to assessment as multiple tax parcels. The Charge for the issuance of the endorsement shall be \$100.00. Use of this endorsement is prohibited in conjunction with the issuance of owner's and/or loan policies insuring 1-4 family real property.

**6.46 TIRBOP - ENDORSEMENT PA 1250 - (ALTA ENDORSEMENT 19 as
modified by TIRBOP) CONTIGUITY (01/01/2005) - Owners and/or Loan Policy**

This endorsement provides coverage with regard to contiguity of the insured premises. The Charge for the issuance of the endorsement shall be \$100.00. Use of this endorsement is prohibited in conjunction with the issuance of owner's and/or loan policies insuring 1-4 family real property.

In conjunction with the filing of these new endorsements, please note the following:

- These endorsements are prohibited from being issued on any policy insuring a 1-4 family residential property, with the exception of the Reverse Annuity Mortgage Endorsement PA 1220.
- Current TIRBOP Endorsement PA 1055 (a generic form of non-imputation endorsement) is being withdrawn and replaced BY TIRBOP ENDORSEMENTS PA. 1170, 1180 AND 1190.

In addition to the new endorsements, there were additional form filings or modifications:

- The existing TIRBOP Endorsement PA 500 (ALTA 11) which can be issued in conjunction with insuring a mortgage modification agreement on a previously insured mortgage has been modified (thus bearing the date of 01/01/2005) to better identify the insured instrument, to recognize a change in the date and amount of the policy, and to create a provision amending Schedule B for additional items disclosed by the search and/or other matters not properly

disposed of.

- There is a new Short Form Policy for the existing Expanded Coverage Residential Loan policy. There is no difference in costs when issuing either one of these policies. (i.e. – either the long or short form of Expanded Coverage Residential Loan policy).
- Covered Risk 12 in the Homeowner’s policy of title insurance which relates to forced correction or removal of an existing violation of a covenant, condition or restriction affecting the land, was modified to exclude certain violations relating to an obligation to perform maintenance or repair on the land or environmental protection of any kind, unless notice of that violation is recorded in the public records.

Lastly, the text of the Rate Manual has been amended in the following manner:

- The paragraph sections and page references were reformatted to reflect the page number falling within each section. E.g. 3-1, 3-2. This will help facilitate future amendments to the Rate Manual, without the need to re-publish the entire text of the Manual.
- The ‘Supplemental Charges’ section, previously appearing as No. 7 (pages 23 & 24), has been moved to Section 3, pages 3-1 and 3-2. There was no change to the text provisions.
- Section 5.1 under ‘Owner’s Title Insurance’, added a new sentence to paragraph A, recognizing that a policy may be issued in an amount in excess of the full consideration where agreed to by the Insurer and the Insured.
- Section 5.9 A. added a new sentence to the end of that paragraph, which is intended to confirm how a charge is to be made – ie – in conformity with existing paragraphs B through D therein. Substantively, there was no change.
- Section 5.9 C. was modified to add ‘less than 10 years ago’ to the first sentence therein, as well as giving a paragraph designation of ‘D’ to the existing text concerning the Expanded Coverage Loan policy.
- New paragraph E. under Section 5.9 was added for clarification when simultaneously issuing the Homeowner’s policy with the 1992 ALTA Loan policy.
- New paragraph H. under Section 5.9 was added to recognize the newly adopted Short Form Expanded Coverage Residential Loan policy ; and
- At Section 5.50 the dollar per thousand rates over two million are now shown (for clarity) under the Reissue Rate column, since effectively there is no discount or reissue benefit on calculations over two million dollars.

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