

16th Annual Harold I. Levine Real Estate Institute



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Our Premier Legal Education Event of the Year

November 5, 2020

16th Annual Harold I. Levine Real Estate Institute



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FIRST TOPIC

COVID-19 Real Estate Practice Update

November 5, 2020



Christine Sparks
ATG Senior Vice President
Chief Operating Officer



Real Estate Closings During the COVID-19 Pandemic: Keeping Lawyers in the Loop

November 5, 2020

Presented by:

- **Christine Sparks**
*Senior Vice President and Chief Operating Officer
Attorneys' Title Guaranty Fund, Inc.*



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Real Estate Closings During the COVID-19 Pandemic: Keeping Lawyers in the Loop
Harold Levine Real Estate Institute



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Protecting All Parties

- Availability of Personal Protective Equipment
- Demonstrating What You are Doing to Keep Customers Safe
- Plan for What You Will Do If Someone in Your Office Tests Positive.



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Government Offices

- How local government offices are handling the pandemic varies widely.
- Recorder's Offices
- Treasurer's Offices
- Municipal Water & Zoning



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Closing Options

- In Person
- Carhop
- Pre-Sign
- RON Transactions
- RIN Transactions



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COVID-Related Underwriting Guidelines

- Lender COVID-19 Acknowledgement
- Closing Guidelines for Illinois & Wisconsin
- RIN Guidelines
- RON Guidelines



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ATGO  Video Conferencing

Powered by

zoom



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ATG GO Video Conferencing – Powered by Zoom

- **New Service for Active ATG Member Agents**
- **Benefits**
 - Instantly schedule private meetings with clients.
 - Meet face-to-face in a secure, safe environment.
 - Explain and review closing documents.
 - When applicable, advise clients to e-sign documents via DocuSign or wet sign using ATG Carhop Closing service.
 - Attend from anywhere.



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ATG GO Video Conferencing – Powered by Zoom

- **Overview of How It Works**
 - Schedule a time using the ATG Video Conferencing Center.
 - <https://conference.atgf.com>
 - 30-, 60-, and 90-minute time slots available
 - You and your clients will receive an email notification with meeting link.
 - Click link at the scheduled meeting time and follow prompts.



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ATG GO Video Conferencing – Powered by Zoom

Use ATG GO Video Conferencing to
Meet with Clients and Review Documents



Request Your Meeting



Receive Email Invites



Connect to Your Client

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COVID-19 Updates

- <https://www.atgf.com/tools-publications/covid-19-updates>



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For Immediate Release:
July 8, 2020

Jesse White Announces Expired Driver's Licenses, ID Cards and License Plate Stickers Extended an Additional Month – Until Nov. 1

White suggests delaying facility visit during heat wave

Illinois Secretary of State Jesse White announced that expiration dates for driver's licenses/ID cards and license plate stickers have been extended an additional month – from Oct. 1, 2020, to Nov. 1, 2020. This new Nov. 1 extension also includes those who have July, August and September expiration dates. As a result, expired documents will remain valid until Nov. 1 so customers do not need to rush into Driver Services facilities, especially during the current heat wave.

"Extending expiration dates until November 1 means people with an expired driver's license, ID card or license plate sticker do not need to rush into a Driver Services facility immediately," said White. "During this current heat wave, I would suggest residents consider delaying their visit to a facility. But if you must visit a facility, please come prepared to wait outside due to social distancing, which limits the number of people inside a facility at one time."

White continues to urge the public to consider using online services when possible instead of visiting a facility due to heavy customer volume. Customers who can conduct business online may go to www.cyberdriveillinois.com to take advantage of online services – such as renewing license plate stickers – from the comfort of their own home. People who conduct online transactions will avoid waiting in line at a facility.

White noted that online transactions continue to flourish, with June 2020 seeing an increase of 110 percent in online license plate sticker renewals when compared to June 2019.

<u>Month/Year</u>	<u>Online License Plate Sticker Renewals</u>
June 2020	447,103 (110% increase)
June 2019	212,396

Through July 31, Driver Services facilities are serving **ONLY** new drivers, customers with expired driver's licenses/ID cards and vehicle transactions. Face masks are required. Customers who must visit a facility are asked to be patient due to heavy volume and prepared to wait outside in various types of weather. This is due to social distancing, which limits the number of people inside a facility at one time.

In addition, customers who must visit a facility to renew their driver's license or ID card are encouraged to first use the preregistration application at www.cyberdriveillinois.com, which will speed up their transaction while at the facility.

Governor JB Pritzker extended the Disaster Proclamation an additional month, which in turn extended the expirations for driver's licenses/ID cards and vehicle registration stickers an additional month to Nov. 1.

[Underwriting Home](#) » [ATG COVID-19 Update #22: Wisconsin Closing Procedures](#)

ATG COVID-19 Update #22: Wisconsin Closing Procedures

EDITOR'S NOTE: For all ATG updates related to this topic, see [COVID-19 Updates](#).

Remote Online Notarization, Video Conferences for Wet Ink Signatures, ATG Carhop Closings

As a result of the COVID-19 pandemic, our world has changed dramatically. Social distancing, wearing masks, and working from home have become the norm in our daily lives. These new conventions have also changed the way we do business and conduct real estate closings. This update gives our Wisconsin agents an outline of safe options from ATG designed to help you reduce in-person contact leading up to and during the closing process.

Remote Online Notarization (RON)

Last March, the State of Wisconsin passed **2019 Wisconsin Act 125**, which allows Remote Online Notarization (RON) in Wisconsin. This legislation was scheduled to take effect on May 1, 2020. However, due to the COVID-19 pandemic, Governor Tony Evers directed the Wisconsin Department of Financial Institutions (DFI) to issue **Emergency Guidance on Remote Notarization** (updated March 20, 2020) which implemented the immediate use of RON. The DFI has subsequently issued further RON guidance.

- The Emergency Guidelines allow the use of out-of-state notaries who are trained and authorized to perform remote on-line notarization.
- The DFI approved five notarization platforms for use in real estate transactions: **Pavaso**, **Nexsys**, **Notarize**, **NotaryCam**, and **DocVerify**.
- ATG agents are authorized to use any of these platform providers for notarization services; we encourage you to reach out to one of the platform providers listed above to set up notarization services for the closings you are conducting.

NOTE: If the ATG Wisconsin office is performing the settlement service for an ATG agent, our office can provide RON services to complete the transaction. For more information on the options and procedures available when ATG conducts the closing please view [the OnDemand webinar](#) presented by ATG President and CEO, Peter Birnbaum and Senior Vice President and Chief Operating Office, Christine Sparks.

Video Conferences to Facilitate Remote Wet Ink Authentications

ATG provides agents a video conference platform powered by Zoom Business to facilitate a two-way audio-video to review and wet-sign documents remotely. **ATG GO Video Conferencing** puts the ATG agent in a virtual room with clients. It's easy to use, and we're there to support you every step of the way. Simply visit the ATG GO Video Conferencing center to schedule a virtual meeting. You and your clients will receive a meeting notice; join the meeting at the scheduled time to review and share documents. ATG agents using Zoom must agree to the **ATG Wisconsin Service Agreement** (ATG Form 4265-WI).

NOTE: This option *does not* allow for the notarization of documents. Notarization of documents must be completed using a RON-approved platform. Use Zoom to observe a client wet-sign a document, receive the original documents via overnight delivery, and, upon receipt, a Wisconsin lawyer in good standing can authenticate

the documents pursuant to **Sec. 706.06 Wis. Stats.** See the underwriting guidelines for an attorney to authenticate wet-signed documents.

Underwriting guidelines before the video conference:

1. ATG agent schedules the Zoom Business meeting at **ATG GO Video Conferencing Center**.
2. Closing attorney authenticating the documents must be located in Wisconsin and attend the Zoom Business meeting.
3. Each signor must be a U.S. citizen and present a valid driver's license or state identification card.
4. If lender documents are to be signed, the closing attorney must obtain written lender approval to use Zoom Business to wet-sign lender documents.
5. Closing attorney sends signor the documents in advance of video conference by secure e-mail, fax, USPS, or express courier.
6. Closing attorney makes sure the signor understands the documents to be signed and that signor has an opportunity to review them with their attorney before the video conference, or that the attorney is included in the video conference invitation.

Underwriting guidelines during the video conference:

1. Closing attorney records the video conference.
2. Closing attorney confirms the video resolution is clear enough so the closing attorney can examine the driver's license or state identification card.
3. Closing attorney validates the signor's identity by at least TWO methods, as follows:
 - a. U.S. state-issued driver's license or other state-issued identification shown to the camera so the notary can see both the front and the back of the identification; and
 - b. At least one of the following:
 - i. Closer texts a random six-digit number (create with **numbergenerator.org**) to a known safe phone number for the signor; then, the signor reads the number back during the video conference. A safe phone number is one that you have confirmed prior to closing by a communication other than by email. Note the file with the six-digit number and phone number texted; or
 - ii. Closer asks the signor a question during the video conference regarding personal data contained in the loan file or attorney's file that only the signor would know. Please do not use a social security number to verify the identity of the signor; or
 - iii. Closer uses a third-party identification service and saves the proof from that service in the file.
4. Closing attorney certifies the signature of the signor is the genuine signature of the person represented. Closing attorney accomplishes this by observing the signor sign his or her name and comparing it to the signature affixed to the valid driver's license or state identification card. If the signatures match, the closing attorney can authenticate the documents.
5. Signor identifies each document being signed and holds it up to the camera for the Closer's inspection.
6. Signor reviews and initials every page of every signed document and shows each page to the camera for the Closer's inspection.
7. Signor dates each document with the date of the video conference, and then signs each document.

8. Closer stops the recording at the end of the video conference.

Underwriting guidelines after the video conference:

1. Signor returns all pages of all documents to the closing attorney via overnight delivery.
2. Closing attorney authenticates the documents pursuant to **Sec. 706.06 Wis. Stats.**
3. Closing attorney records documents in the usual way.
4. Settlement agent retains the recording for a period of seven (7) years.

For more information on the options and procedures available when the ATG member agent conducts the closing, please view **the OnDemand webinar** presented by ATG President and CEO, Peter Birnbaum and Senior Vice President and Chief Operating Office, Christine Sparks.

ATG Carhop Closings

Another option to limit person-to-person contact is to conduct an **ATG Carhop Closing**. The signors schedules a closing appointment, drive to closing, and wet-sign documents while they remain in their car. The closer notarizes the documents and completes the transaction. It's that easy.

We offer Carhop Closings at our Waukesha location. The process is simple:

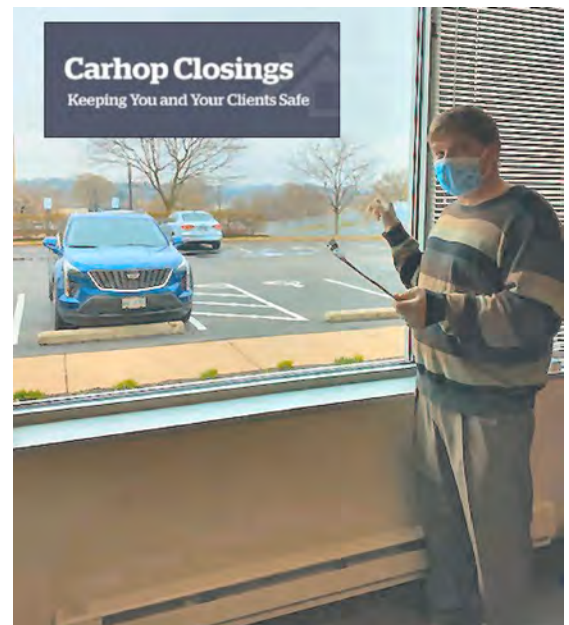
- Contact us at 262.347.0102 to schedule your Carhop Closing.
- ATG confirms with the borrower's lender that the lender authorizes DocuSign signatures for all documents that don't require wet ink signatures.
- ATG sends documents to the buyer and/or seller and their legal counsel for review; non-notarized documents can be pre-signed electronically in DocuSign.
- On the day of their Carhop Closing, the parties call our office to notify us they've arrived. Our closer conducts a curbside verification of identity and the borrower and/or seller signs the documents that require wet ink signatures.
- Our closer notarizes and processes the executed documents.
- ATG staff returns closing packages to all necessary parties via email after the closing.

ATG is here for you. We are offering a variety of solutions to help you serve your clients during these new circumstances. If you have any questions on these procedures, please **contact me**. We appreciate your business and ongoing support at all times, but especially during these uncertain times.

Thomas G. Cullen

ATG Vice President and Managing Attorney – Wisconsin Operations

Posted on: Mon, 05/04/2020 - 5:23pm



[Underwriting Home](#) » [ATG COVID-19 Update # 21: Underwriting Guidelines for Notarizing Documents under Illinois Executive Orders](#)

ATG COVID-19 Update # 21: Underwriting Guidelines for Notarizing Documents under Illinois Executive Orders

EDITOR'S NOTE: For all ATG updates related to this topic, see [COVID-19 Updates](#).

Update – July 2, 2020: The Governor signed legislation, **Public Act 101-640**, that, among other things, temporarily codifies the provisions of the Executive Orders described in this article in a new Section 95-20 to The Electronic Commerce Security Act, 5 ILCS 175/95-20 and incorporates by reference the Secretary of State's Requirements. The new statutory section states that its provisions are effective as of March 26, 2020, and will end 30 days after expiration of the Governor's emergency declaration regarding COVID-19. All the provisions described below are consistent with the new statutory section and ATG's Underwriting Guidelines remain unchanged and in effect during the period that the statutory section remains in effect.

ATG Agents in All Illinois Counties

On March 26, 2020, Governor Pritzker issued **COVID-19 Executive Order No. 12**, which is Executive Order 2020-14 (Order), which was amended by **COVID-19 Executive Order No. 16** (Executive Order 2020-18) on April 1, 2020. The Order authorizes Illinois Notaries Public to notarize documents via two-way audio-video communication during the pendency of the Gubernatorial Disaster Proclamation related to the COVID-19 outbreak, currently through April 30, 2020.

Thus, the Order relates not to digital signatures and digital notaries, such as are used in Remote Online Notarization transactions, but rather to a party signing a paper document, under the observation of an Illinois notary through two-way audio-video communication, and the notary later notarizing the same paper document in the usual way, using the notary's stamp. The Order requires the Notary Public (notary) to be an Illinois-licensed notary physically located in Illinois and otherwise follow rules promulgated by the Secretary of State's office. The **Secretary of State's Requirements** (SOS Requirements) provide further guidance and definitions.

ATG Underwriting Guidelines

ATG will insure documents notarized using two-way audio-video communication (video conference) pursuant to the Order and Requirements (Order), provided all the following underwriting guidelines are met; for purposes of this discussion, we assume the *Closer* is the *notary* and we refer only to *Closer* in the underwriting guidelines, below:

Guidelines for before the video conference:

1. Closer sets up the video conference, which will be recorded and retained.
 - a. **If ATG is the Settlement Agent:** For transactions where ATG is the settlement agent, the Closer will set up the video conference using Microsoft Teams® Business (Teams).
 - b. **If the ATG Agent is the Settlement Agent:** For transactions where the ATG agent is the settlement agent, the Closer must set up the video conference one of two ways:
 - i. ATG-provided conference application, **ATG GO Video Conferencing Powered by Zoom**; or

ii. ATG agent's own license for Microsoft Teams Business. (If using the latter, please follow **ATG's Microsoft Teams® Business User Guide**.)

2. Notary/Closer and all signors must be located in Illinois.
3. Signors must be U.S. citizens and present either a valid driver's license or a state identification card.
4. If notarizing signatures on a mortgage, the Closer must secure confirmation that the lender approves the video conference in advance in writing as the method of notarizing the signatures on the mortgage. Written authorization may be included in loan closing instructions or by separate email.
5. Closer provides the documents to be signed and notarized during the video conference to the signor in advance of the video conference, either by secure email, fax, Federal Express, UPS, USPS mail, or courier. Instruct the signor NOT to sign the documents until the video conference. Include a prepaid overnight mail label so the signor can return the signed documents after the video conference for delivery the next day.
6. Closer makes sure the signor understands the documents to be signed and has an opportunity to review them with their lawyer before the video conference, or that the lawyer is included in the video conference invitation.

Guidelines for during the video conference:

1. Closer starts the recording of the video conference.
2. Closer confirms the video resolution is clear enough so the Closer can examine IDs and every page of the documents to be signed.
3. Closer validates the signor's identity by at least TWO methods, as follows:
 - a. U.S. state-issued driver's license or other state-issued identification shown to the camera so the notary can see both the front and the back of the identification; and
 - b. At least one of the following:
 - i. Closer can text a random six-digit number (create with [numbergenerator.org](https://www.numbergenerator.org)) to a known safe phone number for the signor; then, the signor reads the number back during the video conference. A safe phone number is one that you have confirmed prior to closing by a communication other than by email. Note the file with the 6-digit number and phone number texted; or
 - ii. Closer can ask the signor a question during the video conference regarding personal data contained in the loan file or attorney's file that only the signor would know. Please do not use a social security number to verify the identity of the signor; or
 - iii. For a borrower in a refinance transaction, or a seller in a sale transaction, during the video conference, the signor can show the Closer a copy of a utility bill dated within the last 30 days for the signor's known address, in the name of the signor; or
 - iv. Closer may use a third-party identification service and save the proof from that service in the file.
4. Signor identifies each document being signed and holds it up to the camera for the Closer's inspection.
5. Signor reviews and initials every page of every signed document and shows each page to the camera for the Closer's inspection.
6. Signor dates each document with the date of the video conference, and then signs each document.
7. Closer stops the recording at the end of the video conference.

Guidelines for after the video conference:

1. Signor returns all pages of all the documents to the notary by overnight delivery.
2. Closer notarizes signatures and signing and uses the **Illinois Notary Acknowledgement Under Gubernatorial Executive Orders 2020-14 and 2020-18, ATG Form 4262**. Use the date of the video conference for the date of the notary certificate. Some lenders may not permit the mortgage to include any change to the notary certificate on the lender's mortgage. If that occurs, use the notary certificate the lender provides in its mortgage if you obtain a completed **Certification of Acknowledgement by Audio-Visual Means, ATG Form 4261**, for your title file.
3. Closer records documents in the usual way (process varies by region).
4. Settlement agent retains the recording for a period of three years.
 - a. **If ATG is the settlement agent** and conducted the video conference using Microsoft Teams Business, the Closer will confirm that the video conference is properly recorded and saved and that ATG will retain the recording for a period of three years.
 - b. **If the ATG agent is the settlement agent** and conducted the video conference, the ATG agent must download a copy of the video conference and save it for a period of three years.

IMPORTANT NOTE: The underwriting guidelines set forth here (ATG COVID-19 Update #21) are valid only so long as the Order continues to be effective, as extended by the Governor. ATG agents may no longer rely on these underwriting guidelines after the expiration of the Order.

Questions? **Contact an Underwriter**. As always, we thank you for your business and continued support. We value your feedback and look forward to hearing from you.

Posted on: Wed, 04/15/2020 - 3:13pm

[Underwriting Home](#) » **ATG COVID-19 Update #18: Safely Handling Seller Documents and Conducting Closings**

ATG COVID-19 Update #18: Safely Handling Seller Documents and Conducting Closings

EDITOR'S NOTE: For all ATG updates related to this topic, see [COVID-19 Updates](#).

ATG Agents in Illinois and Wisconsin

ATG COVID-19 Update #18: Safely Handling Seller Documents and Conducting Closings

We applaud our agents for doing all they can to keep clients safe—and ATG is here to help! We recognize that every transaction and every client is different. We have multiple solutions available to handle seller documents when ATG is the settlement agent. After your closing is scheduled with ATG, we will contact you to discuss the following options so we can determine what works best for you and your clients.

Pre-Sign Seller Documents, Return via Prepaid Label – We have always accepted pre-signed seller documents. To make the process easier while we navigate the COVID-19 crisis, we are happy to provide you with a return label prior to the closing.

ATG Carhop Closings – Our Carhop Closings limit person-to-person contact and ensure your clients' health and safety. Carhop Closings are available in all ATG offices in suburban Chicago, NLT offices in Belvidere, Crystal Lake, and Rockford; downstate offices in Champaign and Metro East; and our Wisconsin office in Waukesha. The offices are staffed with Closers and Notaries who can assist with required wet ink signatures on documents – while you or your clients stay safely in your cars. Here's how it works:

1. Schedule your ATG Carhop Closing the same way as any other ATG closing.
2. Send us your seller documents by secure email.
3. Stay comfortably in your vehicle! When the seller arrives at the ATG or NLT office, parties should stay in their vehicle and call the phone number provided at the time the closing was scheduled.
4. Our Closer or Notary will deliver printed documents to the seller's vehicle.
5. Sellers provide valid ID, sign documents, and hand them back to the Closer for notarization.
6. During the closing, the Closer will email you the final ALTA Settlement Statement and Seller CD for approval and signature via DocuSign.
7. If the sellers sign during the closing, they are welcome to wait in the car until the appropriate time for signing.

Electronic Signing Options

Take Advantage of Electronic Signing with DocuSign – If ATG is the settlement agent:

- We are happy to send all title company seller-side documents, along with any other documents you have (i.e., the ones that do not need to be notarized) via DocuSign for clients to execute electronically.
- We will include you (the seller attorney) on the email so you can see the documents your client will be signing electronically.

Use Remote Online Notarization (RON) for Transactions in Illinois and Wisconsin – RON is an option for seller documents:

- The ATG-approved platforms for RON are **Notarize**, **NotaryCam**, **Pavaso**, or **Nexsys**.
- RON is in use in Wisconsin (see **ATG COVID-19 Update #8**). The platforms do not yet have Illinois notaries, which is a requirement of Governor Pritzker's COVID-19 Executive Order No. 12 for using RON pursuant to the Executive Order. However, ATG is accepting the notarizations by those platforms that are conducted by out of state notaries pursuant to existing authority in **Section 20 of the Conveyances Act**. 765 ILCS 5/20.
- ATG currently handles seller transactions with Notarize.
- This option is available in any Illinois county that will accept RON-executed deeds.
- Your clients will be able to execute documents electronically and have them notarized during an online video session with a notary from Notarize.
- Once the documents are electronically signed and notarized, ATG will get them to the Closer.
- During the closing, the Closer will email you the final ALTA Settlement Statement and Seller CD for approval and signature via DocuSign.
- A \$99 notary fee will be added to the Settlement Statement to cover the cost of the online notary session.
- ATG will send the seller proceeds by wire or overnight delivery.
- ATG will send agents' fees by overnight delivery.

Please **Contact Us** with any questions or concerns about any of our procedures. Keep checking your email and our **COVID-19 Updates web page** for updated information. We appreciate your business and ongoing support.

Christine Sparks

ATG Senior Vice President and Chief Operating Officer

Posted on: Mon, 04/06/2020 - 5:56pm

[Underwriting Home](#) » [ATG COVID-19 Update #16: Revised Wisconsin Underwriting Guidelines](#)

ATG COVID-19 Update #16: Revised Wisconsin Underwriting Guidelines

EDITOR'S NOTE: For all ATG updates related to this topic, see [COVID-19 Updates](#).

ATG Agents in Wisconsin

Removing Exception, Eliminating Indemnification and Hold Harmless Agreement Requirement

In response to the COVID-19 pandemic, Wisconsin underwriters, including Attorneys' Title Guaranty Fund, Inc. (ATG), amended their title commitments to include an exception for any disruptions in the recording of documents and title search capabilities. Along with this exception most underwriters required buyers and sellers to sign an Indemnification and Hold Harmless Agreement.

The title exception was created because it was unclear whether title companies would be able to conduct regular business at the County Register of Deeds offices. Of particular importance, it was unknown if deeds and mortgages could be electronically recorded if offices were closed. The problem never materialized. Despite some closures and reduced hours, there has been no disruption in the ability to electronically record documents in Wisconsin.

As a result, ATG has decided to remove the COVID-19 exception and eliminate the requirement for sellers and buyers to sign the Indemnification and Hold Harmless Agreement. This decision could be temporary in nature and may be reinstated if the ability to electronically record becomes significantly delayed or impaired in the future. The hard coded COVID-19 exception will be removed from the Wisconsin Commitment.

As always, if you have any questions please feel free to **contact me**. We appreciate your business and ongoing support.

Thomas G. Cullen

ATG Vice President and Managing Attorney – Wisconsin Operations

Posted on: Fri, 04/03/2020 - 6:21pm

[Underwriting Home](#) » **COVID-19 Update #12: Avoiding COVID-19 Phishing Scams**

COVID-19 Update #12: Avoiding COVID-19 Phishing Scams

ATG Customers in Illinois and Wisconsin

The COVID-19 outbreak and the attendant mobilization of Financial Services staff has resulted in mass email attacks from hackers posing as legitimate news sources, software companies, and IT administrators. We urge you to raise your level of security awareness as we work together to navigate these unusual times.

Be Watchful and Check Sources

Hackers are using emotion-driven emails to try to get people to act quickly, without thinking. In our industry, as usual practices evolve to meet these unusual demands, staff and systems may be vulnerable. We have heard of at least one major bank that had to shut down their wire system because of unusual activity that occurred while they were implementing their emergency plan.

The emails often appear to be from legitimate sources:

- The World Health Organization (WHO)
- The Centers for Disease Control and Prevention (CDC)
- University and college health services

The messages typically offer information about COVID-19 to get you to provide your personal information or download malicious software (malware).

Take These Steps to Decrease the Risk of Being Victimized

1. Provide clear instructions to staff. A written guide is normally helpful, if users aren't sure how to do something, they are more likely to make a mistake.
2. Use technology from familiar vendors. For example, Microsoft and Google have a wide range of tools available to work remotely.
3. Keep your hardware up to date; stay current on software updates and patches.
4. Utilize multi-factor authentication everywhere. Requiring a password and a text message or authentication code while logging into email, VPNs, and other programs can prevent most attacks.

Watch for These Red Flags

Beware of coronavirus-themed phishing attempts. It's easy to lose focus when email volume is high or when working in a different setting. Protecting your email is one of the most important things. Watch out for these red flags:

- Check the subject header and domain name for errors.
- Look for spelling and grammar mistakes.
- Before clicking links, hover over them with your cursor to confirm they are legitimate.
- Don't respond to companies or people you don't know.

- Never give out personal information through email.

We are working to keep our workplace safe by adding cyber-vigilance to what we're all already doing—distancing, disinfecting, and working remotely. If you have any questions, please **Contact Us**. We always appreciate your business and ongoing support, but especially during these uncertain times.

Christine Sparks

ATG Senior Vice President and Chief Operating Officer

Posted on: Wed, 03/25/2020 - 8:50am

16th Annual Harold I. Levine Real Estate Institute

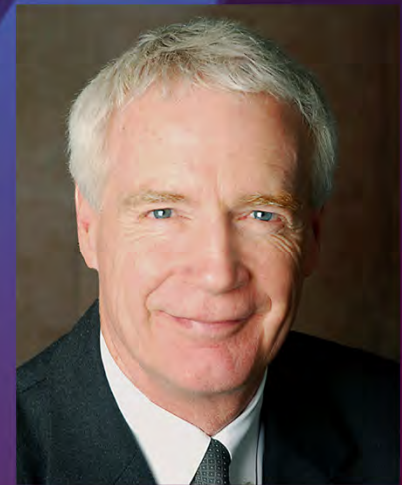


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SECOND TOPIC

New ALTA Owner's and Loan Policies

November 5, 2020



Jerry Gorman
Director of
ATG Legal Education



New ALTA Owner's and Loan Policies to Be Implemented in 2021

November 5, 2020

Presented by:

- **Jerry Gorman**
Director – ATG Legal Education
Attorneys' Title Guaranty Fund, Inc.



Jerry Gorman
ATG
Champaign

ATG LEGAL EDUCATION New ALTA Owner's and Loan Policies to Be Implemented in 2021
Harold Levine Real Estate Institute



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2020 Policy Changes - Why Now?

- **The American Land Title Association (ALTA) Forms Committee has been reviewing the 2006 policy forms for four years looking at:**
 - Legislative and regulatory changes;
 - Court interpretations and misinterpretations of policy coverage;
 - Market changes;
 - Customer input; and
 - ALTA Leadership – Directed Scope



Jerry Gorman
ATG
Champaign

ATG LEGAL EDUCATION New ALTA Owner's and Loan Policies to Be Implemented in 2021
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Other Forms Impacted by Revisions to “Base” Policies

- **ALTA Homeowner’s Policy**
- **ALTA Short Form Residential Loan Policies**
 - ALTA Short Form Residential Loan Policy
 - ALTA Short Form Residential Loan Policy – Current Violations
- **ALTA Expanded Coverage Residential Loan Policies**
 - ALTA Expanded Coverage Residential Loan Policy – Assessments Priority
 - ALTA Expanded Coverage Residential Loan Policy – Current Assessments



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Other Forms Impacted by Revisions to “Base” Policies

- **ALTA Short Form Expanded Coverage Residential Loan Policies**
 - ALTA Short Form Expanded Coverage Residential Loan Policy – Assessments Priority
 - ALTA Short Form Expanded Coverage Residential Loan Policy – Current Assessments
- **ALTA Commitment Forms**
 - ALTA Commitment for Title Insurance
 - ALTA Short Form Commitment for an ALTA Short Form Residential Loan Policy



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Other Forms Impacted by Revisions to “Base” Policies

- **ALTA 6 Series Endorsements**
 - ALTA 6[-06] Variable Rate Mortgage
 - ALTA 6.2[-06] Variable Rate Mortgage – Negative Amortization
- **ALTA 10 Series Endorsements**
 - ALTA 10[-06] Assignment
 - ALTA 10.1[-06] Assignment and Date Down



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Other Forms Impacted by Revisions to “Base” Policies

- **ALTA 11 Series Endorsements**
 - ALTA 11[-06] Mortgage Modification
 - ALTA 11.1[-06] Mortgage Modification with Subordination
 - ALTA 11.2[-06] Mortgage Modification with Additional Amount of Insurance
- **ALTA 14 Series Endorsements**
 - ALTA 14[-06] Future Advance – Priority
 - ALTA 14.1[-06] Future Advance – Knowledge
 - ALTA 14.3[-06] Future Advance – Reverse Mortgage



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Other Forms Impacted by Revisions to “Base” Policies

- **ALTA 30 Series Endorsements**
 - ALTA 30[-06] Shared Appreciation Mortgage
 - ALTA 30.1[-06] Commercial Participation Interest



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Material Revisions

- **Covered Risks**
- **Exclusions**
- **Conditions**
- **Schedule A and Schedule B**



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Covered Risks

- **There are now 10 Covered Risks. The first four are the most significant:**
 1. The Title being vested other than as stated in Schedule A.
 2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from: (examples listed)
 - **New Example:** 2(a)(iv) invalidity of a document that affects the Title as a result of the repudiation of an electronic signature by the person that executed the document because the electronic signature on the document was not valid under applicable electronic transactions law.



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Covered Risks

- **There are now 10 Covered Risks. The first four are the most significant:**
 3. Unmarketable Title.
 4. No right of access to and from the Land.
 8. (New) – An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.
 - (Meaning that a notice of the enforcement or attempted enforcement of the Trust must be recorded in the Public Records at the Date of Policy.)



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Covered Risks

■ Covered Risk 2

- Modernized by express mention of remote online notarization and repudiation of an electronic signature.
- Added “boundary line overlap.”

2.	Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
a.	a defect in the Title caused by:
i.	forgeries, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
ii.	the failure of a person or Entity to have authorized a transfer or conveyance;
iii.	a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
iv.	a failure to perform those acts necessary to create a document by electronic means authorized by law;
v.	a document executed under a falsified, expired, or otherwise invalid power of attorney;
vi.	a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
vii.	a defective judicial or administrative proceeding; or
viii.	the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
b.	the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
c.	the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.



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Covered Risks

■ Covered Risk 5, Covered Risk 6, and Covered Risk 7

- Clarified through new defined term: “Enforcement Notice.”

5.	A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
a.	the occupancy, use, or enjoyment of the Land;
b.	the character, dimensions, or location of an improvement on the Land;
c.	the subdivision of the Land; or
d.	environmental remediation or protection on the Land.
6.	An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
7.	An exercise of the power of eminent domain, but only to the extent:
a.	of the exercise described in an Enforcement Notice; or
b.	the taking occurred and is binding on a purchaser for value without Knowledge.



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Conditions

- **Condition 1.e. (Loan Policy) and Condition 1.d. (Owner's Policy)**
 - Definition of Terms: "Enforcement Notice"

e. **"Enforcement Notice"**: A document recorded in the Public Records that describes any part of the Land and:

- is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
- is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
- asserts a right to enforce a PACA-PSA Trust.

d. **"Enforcement Notice"**: A document recorded in the Public Records that describes any part of the Land and:

- is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
- is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
- asserts a right to enforce a PACA-PSA Trust.



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Conditions

- **Condition 1.q. (Loan Policy) and Condition 1.i. (Owner's Policy)**
 - Definition of Terms: "Public Records"

1.q.1.i **"Public Records"**: The recording or filing system established under state statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.



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Covered Risks

▪ Covered Risk 8

- Added to address PACA-PSA Trust risk if described in an “Enforcement Notice.”

8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.



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Covered Risks

▪ What is a PACA-PSA Trust and how is it treated under the new policies?

- Defined in the Conditions as:
“A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act.”
 - PACA - 7 U.S.C. § 499 *et seq.*
 - PSA - 7 U.S.C. § 181 *et seq.*



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Covered Risks

- PACA creates a “trust” on suppliers and vendors who hold perishable fruits and vegetables in their facilities, which trust can be used to satisfy any unpaid amounts owing to the farmer.
- A New York case held that the PACA trust was superior to an existing mortgage on the property. [*The Bank of New York, as Trustee, for the benefit of CWMBBS, Inc. v. Kim, Index No. 1443-2008 (N.Y. Sup. Ct. Mar. 22, 2013)*]
- PSA has a similar effect on the property of suppliers and vendors of meat, poultry, eggs, etc.



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Covered Risks

- **Bottom Line**
 - PACA-PSA creates secret liens that do not require recording but can prime pre-existing mortgages and other liens and ultimately fee ownership through enforcement of the trust.
 - This creates a serious issue for title insurers on a significant number of commercial properties from grain elevators and warehouses, to grocery and convenience stores, to restaurants and basically any other facility that handles food.



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Covered Risks

- Remember, title insurance is based on an examination of the Public Records and no evidence of a PACA-PSA Trust needs to be filed.
 - Therefore, the new policies exclude coverage for PACA-PSA under section 5 of the Exclusions from Coverage, which simply excludes all coverage for:
 - Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.



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Exclusions from Coverage

- Exclusion 7 (Loan Policy) and Exclusion 5 (Owner's Policy)

7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.

5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.



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Exclusions from Coverage

▪ Exclusion 6 (Loan Policy) and Exclusion 4 (Owner's Policy)

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is:

- a fraudulent conveyance or fraudulent transfer;
- a voidable transfer under the Uniform Voidable Transactions Act, or
- a preferential transfer:
 - to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
 - for any other reason not stated in Covered Risk 13.b.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is:

- a fraudulent conveyance or fraudulent transfer;
- a voidable transfer under the Uniform Voidable Transactions Act, or
- a preferential transfer:
 - to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - for any other reason not stated in Covered Risk 9.b.



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Exclusions from Coverage

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is:

- a fraudulent conveyance or fraudulent transfer;
- a voidable transfer under the Uniform Voidable Transactions Act (new Exclusion)
 - 740 ILCS 160/1 *et seq.* The purpose of the UFTA is to invalidate otherwise sanctioned transactions made with a fraudulent intent.

5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.

- (Enforcement Notice must be recorded).



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Exclusions from Coverage

- **Exclusion 9 (Loan Policy) and Exclusion 7 (Owner's Policy)**

9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.



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Exclusions from Coverage

- 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

- Examples:

- Metes and bounds description followed by – (containing 87.8 acres, more or less).
 - No coverage that the Land actually contains 87.8 acres.
- The south 10 acres of the NE Quarter of Section ...
 - (“10 acres” defines the Land).



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Schedule A and Schedule B

- **Schedule A**
 - Transaction Identification Data

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:

Issuing Agent:
Issuing Office:
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Issuing Office File Number:
Property Address:]

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:

Issuing Agent:
Issuing Office:
Issuing Office's ALTA® Registry ID:
Issuing Office File Number:
Property Address:]



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Transaction Data

- **Purpose:**
 - Convenience for parties to the transaction, especially the lender.
 - ALTA Universal ID identifies agent's office closing the transaction.
 - Not part of Schedule A
 - No coverage for property address, for example. Covered Land is only in the legal description in Schedule A.
 - To ensure that the Property Address and the legal description of the Land match, obtain a Location Endorsement.
 - Avoids putting non-title matters in Schedule B as is sometimes erroneously done. (Notes for Information).



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Schedule A and Schedule B

■ Schedule B (Loan Policy)

Policy Number: _____

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not republish any covenant, condition, restriction, or limitation contained in any document referred to in this policy to the extent that the specific covenant, condition, restriction, or limitation violates local, state, or federal discrimination law, including laws based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, national origin, or other legally protected class.

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:
(insert Schedule B exceptions here)]

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PART I

(insert Schedule B exceptions here)

PART II

Covered Risk 10 insures against loss or damage sustained by the Insured by reason of the lack of priority of the lien of the Insured Mortgage over the matters listed in Part II, subject to the terms and conditions of any subordination provision in a matter listed in Part II.]



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Conditions

■ Condition 1.f. (Owner's Policy)

- Definition of Terms: "Insured"

f. "Insured"

i.

- (1) The Insured named in Item 1 of Schedule A;
- (2) the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
- (3) the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
- (4) the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
- (5) the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
 - (a) an Affiliate;
 - (b) a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
 - (c) a spouse who receives the Title because of a dissolution of marriage;
 - (d) a transferee by a transfer effective on the death of an Insured as authorized by law; or
 - (e) another Insured named in Item 1 of Schedule A.

ii. The Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.



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Conditions

▪ Condition 8 (Loan Policy)

– Contract of Indemnity; Determination and Extent of Liability

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered the loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:

- i. the Amount of Insurance;
- ii. the Indebtedness;
- iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
- iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.

b. Fair market value of the Title in Condition 8 a.iii is calculated using either:

- i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage, or
- ii. the date the lien of the Insured Mortgage or any assignment set forth in item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.

c. If the Company pursues its rights under Condition 5 b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured:

- i. the Amount of Insurance will be increased by 15%, and
- ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8 b., to use either the date the settlement, action, proceeding, or other act described in Condition 5 b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8 a.ii.

d. In addition to the extent of liability for loss or damage under Conditions 8 a. and 8 c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

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Conditions

▪ Condition 8 (Owner's Policy)

– Contract of Indemnity; Determination and Extent of Liability

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered the loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser of:

- i. the Amount of Insurance; or
- ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.

b. Except as provided in Condition 8 c. or 8 d., the fair market value of the Title in Condition 8 a.ii is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.

c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8 a.ii.

d. If the Company pursues its rights under Condition 5 b. and is unsuccessful in establishing the Title, as insured:

- i. the Amount of Insurance will be increased by 15%, and
- ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8 b. or, if it applies, 8 c., to use either the date the settlement, action, proceeding, or other act described in Condition 5 b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8 a.ii.

e. In addition to the extent of liability for loss or damage under Conditions 8 a. and 8 d., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

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Conditions

- **Condition 17 (Loan Policy) and Condition 18 (Owner's Policy)**
 - Definition of Terms: "Public Records"

17. CLASS ACTION
ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING.

18. CLASS ACTION
ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING.



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Conditions

- **Condition 18 (Loan Policy)**
 - Arbitration

[18. ARBITRATION

a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.

b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 18. The arbitrator does not have authority to conduct any class action arbitration or arbitration involving joint or consolidated claims under any circumstance.

c. **If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 18, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 18.**

d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.]



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Conditions

- **Condition 19 (Owner's Policy)**
 - Arbitration

[19. ARBITRATION]

a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.

b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 19. The arbitrator does not have authority to conduct any class action arbitration, private attorney general arbitration, or arbitration involving joint or consolidated claims under any circumstance.

c. **If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 19, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 19.**

d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.]

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Conclusion

- **Implementation – July 2021**
ALTA Owner's and Loan Policies
- **Process Leading to Industry Readiness**
 - Regulatory
 - Software Changes – ResWare and REsource.
- **Continued Forms Works in Progress**

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Adopted by ALTA Board 06-19-2020
 For Public Comment By 12-31-2020 – Send Comments to forms@alta.org

OWNER'S POLICY OF TITLE INSURANCE
issued by
BLANK TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 17.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, *Blank Title Insurance Company*, a *Blank* corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 9 and 10, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - a. a defect in the Title caused by:
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
 - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental remediation or protection on the Land.
6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
7. An exercise of the power of eminent domain, but only to the extent:
 - a. of the exercise described in an Enforcement Notice; or
 - b. the taking occurred and is binding on a purchaser for value without Knowledge.
8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.

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- 57 **9.** The Title being vested other than as stated in Schedule A or being defective or a court order providing an
- 58 alternative remedy:
- 59 a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land
- 60 or any interest in the Land occurring prior to the transaction vesting the Title because that prior transfer
- 61 constituted:
- 62 i. a fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy,
- 63 state insolvency, or similar creditors' rights law; or
- 64 ii. a voidable transfer under the Uniform Voidable Transactions Act; or
- 65 b. because the instrument vesting the Title constitutes a preferential transfer under federal bankruptcy,
- 66 state insolvency, or similar creditors' rights law by reason of the failure:
- 67 i. to timely record the instrument vesting the Title in the Public Records after execution and
- 68 delivery of the instrument to the Insured; or
- 69 ii. of the recording of the instrument vesting the Title in the Public Records to impart notice of its
- 70 existence to a purchaser for value or to a judgment or lien creditor.
- 71 **10.** Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has
- 72 been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy
- 73 and prior to the recording of the deed or other instrument vesting the Title in the Public Records.

DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

BY: _____
PRESIDENT

BY: _____
SECRETARY



EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
 Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is:
 - a. a fraudulent conveyance or fraudulent transfer;
 - b. a voidable transfer under the Uniform Voidable Transactions Act; or
 - c. a preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

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133 **[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:**
134 Issuing Agent:
135 Issuing Office:
136 Issuing Office's ALTA® Registry ID:
137 Issuing Office File Number:
138 Property Address:]

SCHEDULE A

142 Name and Address of Title Insurance Company:
143 Policy Number:
144 Amount of Insurance: \$ [Premium: \$]
145 Date of Policy: [at a.m./p.m.]

- 147 1. The Insured is:
- 148 2. The estate or interest in the Land insured by this policy is:
- 149 3. The Title is vested in:
- 150 4. The Land is described as follows:
- 151 **[5.** This policy incorporates by reference the endorsements designated below, adopted by the [American Land Title
152 Association][_____] as of the Date of Policy:]
- 153

For Comment By 12-31-2020



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SCHEDULE B

Policy Number:

EXCEPTIONS FROM COVERAGE

This policy does not republish any covenant, condition, restriction, or limitation contained in any document referred to in this policy to the extent that the specific covenant, condition, restriction, or limitation violates local, state, or federal discrimination law, including laws based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, national origin, or other legally protected class.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:
(Insert Schedule B exceptions here)

For Comment By 12-31-2020



CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- a. "Affiliate": An Entity:
 - i. that is wholly-owned by the Insured;
 - ii. that wholly-owns the Insured; or
 - iii. if that Entity and the Insured are both wholly-owned by the same person or Entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.c. or decreased by Condition 10 or 11; or increased or decreased by endorsements to this policy.
- c. "Date of Policy": The Date of Policy stated in Schedule A.
- d. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
 - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
 - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
 - iii. asserts a right to enforce a PACA-PSA Trust.
- e. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the jurisdiction where the Land is located.
- f. "Insured":
 - i.
 - (1) The Insured named in Item 1 of Schedule A;
 - (2) the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (3) the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
 - (4) the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
 - (5) the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
 - (a) an Affiliate;
 - (b) a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
 - (c) a spouse who receives the Title because of a dissolution of marriage;
 - (d) a transferee by a transfer effective on the death of an Insured as authorized by law; or
 - (e) another Insured named in Item 1 of Schedule A.
 - ii. The Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- g. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- h. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- i. "Land": The land described in Item 4 of Schedule A and improvements located on that land at the Date of Policy that by law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- j. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- k. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar state or federal law.
- l. "Public Records": The recording or filing system established under state statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- m. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.

- 226 n. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective
 227 purchaser or lessee of the Title or a lender on the Title to be released from the obligation to purchase,
 228 lease, or lend if there is a contractual condition requiring the delivery of marketable title.
- 229 **2. CONTINUATION OF COVERAGE**
 230 This policy continues as of the Date of Policy in favor of an Insured, so long as the Insured:
 231 a. retains an estate or interest in the Land;
 232 b. owns an obligation secured by a purchase money mortgage given by a purchaser from the Insured; or
 233 c. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.
 234 Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the
 235 Insured conveys the Title. This policy does not continue in force or effect in favor of any person or Entity that is
 236 not the Insured and acquires the Title or an obligation secured by a purchase money mortgage given to the
 237 Insured.
- 238 **3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**
 239 The Insured must notify the Company promptly in writing if the Insured has Knowledge of:
 240 a. any litigation or other matter for which the Company may be liable under this policy; or
 241 b. any rejection of the Title as Unmarketable Title.
 242 If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's
 243 liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.
- 244 **4. PROOF OF LOSS**
 245 The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed
 246 proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter
 247 insured against by this policy, that constitutes the basis of loss or damage and must state, to the extent possible,
 248 the basis of calculating the amount of the loss or damage.
- 249 **5. DEFENSE AND PROSECUTION OF ACTIONS**
 250 a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company,
 251 at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in
 252 which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is
 253 limited to only those stated causes of action alleging matters insured against by this policy. The Company
 254 has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable
 255 cause) to represent the Insured as to those covered causes of action. The Company is not liable for and
 256 will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses
 257 incurred by the Insured in the defense of any cause of action that alleges matters not insured against by
 258 this policy.
 259 b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute
 260 and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or
 261 desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The
 262 Company may take any appropriate action under the terms of this policy, whether or not it is liable to the
 263 Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision
 264 of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
 265 c. When the Company brings an action or asserts a defense as required or permitted by this policy, the
 266 Company may pursue the litigation to a final determination by a court of competent jurisdiction. The
 267 Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.
- 268 **6. DUTY OF INSURED CLAIMANT TO COOPERATE**
 269 a. When this policy permits or requires the Company to prosecute or provide for the defense of any action
 270 or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide
 271 defense in the action or proceeding, including the right to use, at its option, the name of the Insured for
 272 this purpose.
 273 When requested by the Company, the Insured, at the Company's expense, must give the Company all
 274 reasonable aid in:
 275 i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or
 276 effecting settlement; and
 277 ii. any other lawful act that in the opinion of the Company may be necessary or desirable to
 278 establish the Title or any other matter, as insured.

279 If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the
 280 Company's liability and obligations to the Insured under this policy terminate, including any obligation to
 281 defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.
 282 b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any
 283 authorized representative of the Company and to produce for examination, inspection, and copying, at
 284 such reasonable times and places as may be designated by the authorized representative of the
 285 Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda,
 286 correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the
 287 Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized
 288 representative of the Company, the Insured Claimant must grant its permission, in writing, for any
 289 authorized representative of the Company to examine, inspect, and copy all the records in the custody
 290 or control of a third party that reasonably pertain to the loss or damage. No information designated in
 291 writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be
 292 later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in
 293 the administration of the claim or required by law. Any failure of the Insured Claimant to submit for
 294 examination under oath, produce any reasonably requested information, or grant permission to secure
 295 reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by
 296 law, terminates any liability of the Company under this policy as to that claim.

297 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

298 In case of a claim under this policy, the Company has the following additional options:

- 299 a. **To Pay or Tender Payment of the Amount of Insurance**
 300 To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will
 301 pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by
 302 the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
 303 Upon the exercise by the Company of this option provided for in Condition 7.a., the Company's liability
 304 and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute,
 305 or continue any litigation.
- 306 b. **To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant**
 307 i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured
 308 Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred
 309 by the Insured Claimant that were authorized by the Company up to the time of payment and
 310 that the Company is obligated to pay; or
 311 ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this
 312 policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by
 313 the Insured Claimant that were authorized by the Company up to the time of payment and that
 314 the Company is obligated to pay.
 315 Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability
 316 and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute,
 317 or continue any litigation.

318 8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

319 This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured
 320 Claimant who has suffered the loss or damage by reason of matters insured against by this policy. This policy is
 321 not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other
 322 representation of the status of the Title. All claims asserted under this policy are based in contract and are
 323 restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence
 324 or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability
 325 of the Title.

- 326 a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser
 327 of:
 328 i. the Amount of Insurance; or
 329 ii. the difference between the fair market value of the Title, as insured, and the fair market value
 330 of the Title subject to the matter insured against by this policy.
- 331 b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is
 332 calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other
 333 matter insured against by this policy.

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- 334 c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this
 335 policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of
 336 Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- 337 d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as
 338 insured:
- 339 i. the Amount of Insurance will be increased by 15%; and
 340 ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to
 341 the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement,
 342 action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice
 343 of claim required by Condition 3 is received by the Company as the date for calculating the fair
 344 market value of the Title in Condition 8.a.ii.
- 345 e. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.d., the Company will
 346 also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- 347 a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured
 348 if the Company accomplishes any of the following in a reasonable manner:
- 349 i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
 350 ii. cures the lack of a right of access to and from the Land; or
 351 iii. cures the claim of Unmarketable Title,
 352 all as insured. The Company may do so by any method, including litigation and the completion of any
 353 appeals.
- 354 b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the
 355 Company or with the Company's consent, until a court of competent jurisdiction makes a final,
 356 non-appealable determination adverse to the Title.
- 357 c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the
 358 Insured in settling any claim or suit without the prior written consent of the Company.
- 359 d. The Company is not liable for the content of the Transaction Identification Data, if any.
 360

10. REDUCTION OR TERMINATION OF INSURANCE

361 All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the
 362 Amount of Insurance by the amount of the payment.
 363

11. LIABILITY NONCUMULATIVE

364 The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a
 365 Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken
 366 subject, or which is executed by an Insured after the Date of Policy and which is a charge or lien on the Title, and
 367 the amount so paid shall be deemed a payment to the Insured under this policy.
 368

12. PAYMENT OF LOSS

369 When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company
 370 will pay the loss or damage within 30 days.
 371

13. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- 372 a. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and
 373 remedies of the Insured Claimant in the Title and all other rights and remedies in respect to the claim
 374 that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by
 375 law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If
 376 requested by the Company, the Insured Claimant must execute documents to transfer these rights and
 377 remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in
 378 the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or
 379 litigation involving these rights and remedies.
- 380 b. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company
 381 defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- 382 c. The Company's subrogation right includes the Insured's rights to indemnity, guaranty, warranty,
 383 insurance policy, or bond, despite any provision in those instruments that addresses recovery or
 384 subrogation rights.
 385

14. POLICY ENTIRE CONTRACT

- 386 a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract
 387 between the Insured and the Company. In interpreting any provision of this policy, this policy will be
 388

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389 construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic
390 means authorized by law.
391 b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent
392 any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term
393 or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
394 i. modify any prior endorsement,
395 ii. extend the Date of Policy,
396 iii. insure against loss or damage exceeding the Amount of Insurance, or
397 iv. increase the Amount of Insurance.

398 **15. SEVERABILITY**

399 In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law,
400 this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will
401 remain in full force and effect.

402 **16. CHOICE OF LAW AND CHOICE OF FORUM**

403 a. **Choice of Law**
404 The Company has underwritten the risks covered by this policy and determined the premium charged in
405 reliance upon the law affecting interests in real property and the law applicable to the interpretation,
406 rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.
407 Any court or arbitrator must apply the law of the jurisdiction where the Land is located to determine the
408 validity of claims against the Title and to interpret and enforce the terms of this policy. In neither case
409 may the court or arbitrator apply conflicts of law principles to determine the applicable law.
410 b. **Choice of Forum**
411 Any litigation or other proceeding brought by the Insured against the Company must be filed only in a
412 state or federal court within the United States of America or its territories having appropriate jurisdiction.

413 **17. NOTICES**

414 Any notice of claim and any other notice or statement in writing required to be given to the Company under this
415 policy must be given to the Company at: _____ (fill in)

416 **18. CLASS ACTION**

417 ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE
418 OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY
419 PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION
420 GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE
421 AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE
422 ATTORNEY GENERAL PROCEEDING.

423 **[19. ARBITRATION**

424 a. All claims and disputes arising out of or relating to this policy, including any service or other matter in
425 connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising
426 out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount
427 of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the
428 election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000,
429 any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company
430 and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the
431 American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at
432 www.alta.org/arbitrationhttp://www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate
433 to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the
434 American Arbitration Association ("AAA Rules"). The AAA Rules are available online at
435 www.adr.orgC:\Users\alSmith\AppData\Roaming\Microsoft\Word\www.adr.org.
436 b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY
437 SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR
438 PRIVATE ATTORNEY GENERAL PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION
439 19. The arbitrator does not have authority to conduct any class action arbitration, private attorney general
440 arbitration, or arbitration involving joint or consolidated claims under any circumstance.
441 c. **If there is a final judicial determination that a request for particular relief cannot be arbitrated in**
442 **accordance with this Condition 19, then only that request for particular relief may be brought in**
443 **court. All other requests for relief remain subject to this Condition 19.**

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444 d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the
445 arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the
446 applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may
447 consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is
448 bound by rulings in prior arbitrations involving the same parties to the extent required by law. The
449 arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the
450 award is based. Judgment upon the award rendered by the arbitrator may be entered in any court of
451 competent jurisdiction.]
452
453

454 **NOTE:** Bracketed [] material optional

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
American Land Title Association Owner's Policy Adopted 6-17-06	American Land Title Association Owner's Policy Adopted 06-17-2006 Discussion Draft of Revisions 03-04-2020 Send Comments to forms@alta.org	These policies are referred to respectively as the 2006 ALTA Owner's Policy and the 2020 ALTA Owner's Policy. Reference to 2006 ALTA policies or 2020 ALTA policies refers to both Owner's and Loan Policies.
OWNER'S POLICY OF TITLE INSURANCE Issued by BLANK TITLE INSURANCE COMPANY	OWNER'S POLICY OF TITLE INSURANCE Issued issued by BLANK TITLE INSURANCE COMPANY	
	This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.	ADDED COVERAGE. This clause is similar to ALTA 39[-06] (Policy Authentication), which agrees that the Company will not deny liability under the policy or any endorsements issued with the policy solely on the grounds that the policy or endorsements were issued electronically or lack signatures in accordance with the Conditions.
Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.	Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions Condition 17.	SAME. This clause is designed to help direct the Insured to the appropriate section (Condition 19 of the 2020 ALTA Owner's Policy) so the Insured will know where to file a notice of claim or any other notice to be given to the insurer. By placing this clause on the face page of the policy it makes it easier for the Insured to know how to access policy benefits.
COVERED RISKS	COVERED RISKS	SAME. The term "Covered Risks" descriptively designates matters covered under the policy.
SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, BLANK TITLE INSURANCE COMPANY, a Blank corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:	SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, BLANK—TITLE—INSURANCE COMPANY Blank Title Insurance Company , a Blank corporation (the "Company"), insures, as of <u>the</u> Date of Policy and, to the extent stated in Covered Risks 9 and 10, after <u>the</u> Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:	SAME. The lead-in provisions are substantively the same. The preamble of the 2006 ALTA Owner's Policy and the 2020 ALTA Owner's Policy identifies the Covered Risks that provide post-policy coverage. These post-policy coverages are found in Covered Risks 9 (creditors' rights) and 10 (gap coverage).
1. Title being vested other than as stated in Schedule A.	1. The Title being vested other than as stated in Schedule A.	SAME. "Title" is defined in the Condition 1.m. of the 2020 ALTA Owner's Policy to mean the estate or interest in the Land described in Item 2 of Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from	2. Any defect in or lien or encumbrance on the Title. This Covered Risk <u>2</u> includes, but is not limited to, insurance against loss from:	ADDED COVERAGE. The 2006 and 2020 ALTA policies provide a non-exhaustive list of coverages, but do not limit coverage to those items.
(a) A defect in the Title caused by	(a) <u>A</u> defect in the Title caused by:	SAME.
(i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;	(i) <u>i</u> forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;	SAME.
(ii) failure of any person or Entity to have authorized a transfer or conveyance;	(ii) <u>the</u> failure of any a person or Entity to have authorized a transfer or conveyance;	SAME.
(iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;	(iii) <u>a</u> document affecting <u>the</u> Title not properly <u>authorized</u> created, executed, witnessed, sealed, acknowledged, notarized (<u>including by remote online notarization</u>), or delivered;	IMPROVED COVERAGE. Covered Risk 2.a.iii. of the 2020 ALTA Owner's Policy clarifies coverage by adding "authorized" and by including remote online notarization in the scope of notarization. Covered Risks 2.a.iii., 2.a.iv., and 2.a.vi. of the 2020 ALTA Owner's Policy make it clear that certain aspects of electronic transactions are covered by the policy.
(iv) failure to perform those acts necessary to create a document by electronic means authorized by law;	(iv) <u>a</u> failure to perform those acts necessary to create a document by electronic means authorized by law;	SAME.
(v) a document executed under a falsified, expired, or otherwise invalid power of attorney;	(v) <u>a</u> document executed under a falsified, expired, or otherwise invalid power of attorney;	SAME.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or	(vi) a document not properly filed, recorded, or indexed in the Public Records, including <u>the</u> failure to perform <u>have performed</u> those acts by electronic means authorized by law; or	SAME.
(vii) a defective judicial or administrative proceeding.	(vii) a defective judicial or administrative proceeding; <u>or</u>	SAME.
	<u>viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.</u>	NEW COVERAGE. This coverage is similar to Covered Risk 2.a.iii. of the 2020 ALTA Owner's Policy but also includes "repudiation" of an electronic signature.
(b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.	(b) The the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.	SAME. The 2006 and 2020 ALTA policies insure that taxes and assessments are not due or payable, absent an explicit exception.
(c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.	(c) Any encroachment, the effect on the Title of an encumbrance, violation, variation, or adverse circumstance affecting the Title that, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would be <u>have been</u> disclosed by an accurate and complete land <u>title</u> survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.	SAME. Absent a survey or other relevant exception in Schedule B, the 2006 and 2020 ALTA policies include express survey coverage against encroachments of existing improvements onto adjoining Land and encroachments onto the Land of existing improvements located on adjoining land. The survey coverage against encroachments is not intended to be the sole coverage provided in Covered Risk 2.
3. Unmarketable Title.	3. Unmarketable Title.	SAME. The 2006 and 2020 ALTA Owner's Policy definition of "Unmarketable Title" results in coverage when a purchaser, lessee, or lender is released from the obligation to purchase, lease, or lend due to a contractual condition requiring the delivery of marketable title.
4. No right of access to and from the Land.	4. No right of access to and from the Land.	SAME.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to	5. The <u>A</u> violation or enforcement of <u>any</u> a law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to , <u>but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:</u>	SAME. Several courts have taken the position that unless coverage appears in the insuring clauses (Covered Risks), coverage will not be found. Covered Risk 5 makes clear that coverage does exist under the circumstances. This coverage includes an Enforcement Notice of a violation of a permit. The 2020 ALTA policies include a new defined term "Enforcement Notice" and revise the defined term "Public Records." The term "Public Records" does not include any record pertaining to environmental protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters unless the record is contained in an Enforcement Notice.
(a) the occupancy, use, or enjoyment of the Land;	(a) the occupancy, use, or enjoyment of the Land;	SAME.
(b) the character, dimensions, or location of any improvement erected on the Land;	(b) the character, dimensions, or location of <u>any</u> an improvement erected on the Land;	SAME.
(c) the subdivision of land; or	(c) the subdivision of land <u>the Land</u> ; or	SAME.
(d) environmental protection	(d) environmental <u>remediation or</u> protection <u>on the Land</u> .	SAME. Environmental protection includes environmental "remediation."
if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.	if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.	SAME. The term "Enforcement Notice" of the 2020 ALTA policies addresses the notice that is covered.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.	6. An enforcement action based on the exercise of a governmental forfeiture, police, regulatory, or national security power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice <u>described by the enforcing governmental authority in an Enforcement Notice.</u>	SAME. The 2020 ALTA policies include the added "forfeiture," "regulatory," and "national security" power in Covered Risk 6 and in Exclusion 1.b.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.	7. The An exercise of the <u>power</u> rights of eminent domain if, but only to the extent:	SAME. Several courts have taken the position that unless coverage appears in the insuring clauses (Covered Risks), coverage will not be found. Covered Risk 7 makes clear that coverage does exist under the circumstances. The 2020 ALTA policies include a new defined term "Enforcement Notice" and revise the defined term "Public Records."
	<u>a. a notice of the exercise, describing described any part of the Land, is recorded in the Enforcement Notice Public Records; or</u>	
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.	8. b. Any <u>the</u> taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.	SAME.
	<u>8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.</u>	
9. Title being vested other than as stated in Schedule A or being defective	9. <u>The</u> Title being vested other than as stated in Schedule A or being defective <u>or a court order providing an alternative remedy;</u>	ADDED COVERAGE. This creditors' rights coverage addresses and provides coverage relating to transactions occurring prior to the transaction creating the interest being insured. The 2020 ALTA Owner's Policy clarifies the coverage by insuring against loss or damage by a court order providing an alternative remedy. Section 550(a) of the Bankruptcy Code authorizes an alternative remedy in allowing the bankruptcy trustee to "...recover, for the benefit of the estate, the property transferred, or, if the court so orders, the value of such property." The 2006 ALTA Owner's Policy insured only against avoidance of the Title or an interest in the Land because of a court order providing an alternative remedy.
(a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or	(a) as a result of resulting from the avoidance, in whole or in part, or from a court order providing an alternative remedy, of a of any transfer of all or any part of the title <u>Title</u> to <u>the Land</u> or any interest in the Land occurring prior to the transaction vesting the Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or;	IMPROVED COVERAGE. The 2020 ALTA policies expand coverage to include loss arising from a court order providing an alternative remedy and to insure with respect the Uniform Voidable Transactions Act.
	<u>i. a fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights law; or</u>	SAME. The Covered Risk for creditors' rights in the 2006 and 2020 ALTA policies applies to these laws.
	<u>ii. a voidable transfer under the Uniform Voidable Transactions Act; or</u>	IMPROVED COVERAGE. In 2014, the National Conference of Commissioners changed the Uniform Fraudulent Transfer Act to the Uniform Voidable Transactions Act and substituted "voidable transaction" for "fraudulent transfer." The 2020 ALTA policies provide this additional coverage in Covered Risk 9.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records	(b) because the instrument of transfer vesting the Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records .	SAME.
(i) to be timely, or	(i) to be timely <u>record the instrument vesting the Title in the Public Records after execution and delivery of the instrument to the Insured;</u> or	SAME. The 2020 ALTA policies clarify the commonly understood meaning of "failure of its recording ... to be timely".
(ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.	(ii) <u>of the recording of the instrument vesting the Title in the Public Records</u> to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.	SAME.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.	10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to <u>the</u> Date of Policy and prior to the recording of the deed or other instrument of transfer vesting the Title in the Public Records that vests Title as shown in Schedule A .	SAME. Covered Risk 10 provides post-policy title insurance for the gap, if any, between the Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests the Title as shown in Schedule A.
DEFENSE OF COVERED CLAIMS		SAME. This is a new heading, but the coverage remains the same.
The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.	The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy <u>policy</u> , but only to the extent provided in the Conditions.	SAME. The policy defense provision includes defense for any matter insured against, such as access; those matters covered by Covered Risks 5 and 6; and matters insured by endorsements (unless otherwise agreed).
[Witness clause optional]	[Witness clause optional]	SAME.
BLANK TITLE INSURANCE COMPANY BY: PRESIDENT BY: SECRETARY	BLANK TITLE INSURANCE COMPANY BY: _____ PRESIDENT BY: _____ SECRETARY	SAME.
EXCLUSIONS FROM COVERAGE		SAME.
The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:	The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:	SAME.
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to	1. (a) <u>a</u> Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that <u>restricts</u> <u>ing</u> , <u>regulates</u> <u>ing</u> , <u>prohibits</u> <u>ing</u> , or <u>relates</u> <u>ing</u> to:	SAME.
(i) the occupancy, use, or enjoyment of the Land;	(i) the occupancy, use, or enjoyment of the Land;	SAME.
(ii) the character, dimensions, or location of any improvement erected on the Land;	(ii) the character, dimensions, or location of any improvement erected on the Land;	SAME. Neither the 2006 nor the 2020 ALTA policies say "now or hereafter" and the 2020 ALTA policies delete "erected." Subsequent improvements would be post-policy matters.
(iii) the subdivision of land; or	(iii) the subdivision of land; or	SAME.
(iv) environmental protection;	(iv) environmental <u>remediation or</u> protection;	SAME. Environmental protection includes environmental "remediation."
or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.	or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.	SAME. Exclusion 1 in the 2020 ALTA policy states that the Exclusion does not modify the coverage provided in Covered Risks 5 and 6. Exclusions 1(a) and 1(b) in the 2006 ALTA policy also state that the Exclusions do not modify or limit the coverage provided in Covered Risks 5 and 6.

ALTA OWNER'S POLICY COMPARISON CHART

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2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.	(b) <u>a</u> Any governmental forfeiture, police, regulatory, or national security power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.	SIMILAR. The 2020 ALTA Owner's Policy adds "forfeiture," "regulatory," and "national security" power for clarification. Those terms were, in some respects, included within the scope of Exclusion 1(a) of the 2006 ALTA policy and as "police powers" within the scope of Exclusion 1(b) of the 2006 ALTA policy.
	<u>c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.</u>	SAME.
	<u>Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.</u>	SAME.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.	2. Rights <u>Any power</u> of eminent domain. This Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7 or 8.	SAME. Among the powers generally attributable to a sovereign are the eminent domain power, war power, taxation power, and, with respect to states, police power.
3. Defects, liens, encumbrances, adverse claims, or other matters	3. Any d <u>Defects, liens, encumbrances, adverse claims, or other matters;</u>	SAME. No changes made to Exclusions 3.a., 3.b., 3.c., and 3.d.
(a) created, suffered, assumed, or agreed to by the Insured Claimant;	(a) created, suffered, assumed, or agreed to by the Insured Claimant;	SAME.
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;	(b) not Known to the Company, not recorded in the Public Records at <u>the</u> Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;	SAME.
(c) resulting in no loss or damage to the Insured Claimant;	(c) resulting in no loss or damage to the Insured Claimant;	SAME.
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or	(d) attaching or created subsequent to <u>the</u> Date of Policy (however, this Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 <u>and/or</u> 10); or	SAME. The 2006 and 2020 ALTA Owner's Policy refer to Covered Risks 9 (Creditors' Rights) and 10 (Gap Coverage) and acknowledge that the post-policy exclusion does not limit the coverage of those Covered Risks. The gap coverage insures with respect to certain matters arising after the Date of Policy.
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.	(e) resulting in loss or damage that would not have been sustained if <u>consideration sufficient to qualify</u> the Insured Claimant named in Schedule A as a bona fide purchaser had paid value been given for the Title <u>at the Date of Policy</u> .	IMPROVED COVERAGE. The modified coverage matches what has recently been explained as the purpose of Exclusion 3.e.: to exclude matters based upon the failure of the insured to pay sufficient consideration in order to be a "bona fide purchaser" under the recording laws, as opposed, for example, to the effect of the failure to pay reasonably equivalent or fair market value.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is	4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws <u>law</u> , that the transaction vesting the Title as shown in Schedule A r <u>is</u> ;	SIMILAR. This creditors' rights exclusion excludes liability for a creditors' rights claim arising out of the transaction vesting the Title while Covered Risk 9 covers creditors' rights claims by reason of previous transactions in the chain of title. The Exclusion in the 2020 ALTA policies includes two new matters: a clarification that the voidable preference is excluded if not given as a contemporaneous exchange for new value, and additional reference to a voidable transaction under the Uniform Voidable Transactions Act.
(a) a fraudulent conveyance or fraudulent transfer; or	(a) a fraudulent conveyance or fraudulent transfer; or	SAME.
	<u>b. a voidable transfer under the Uniform Voidable Transactions Act; or</u>	SIMILAR. This addition is intended to modernize the ALTA 2020 policies by referring to the Uniform Voidable Transactions Act, which has been adopted in at least 19 states and is an amended version of the Uniform Fraudulent Transfer Act.

ALTA OWNER'S POLICY COMPARISON CHART

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(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.	(b)c. a preferential transfer for any reason not stated in Covered Risk 9 of this policy.	SAME. The 2006 and 2020 ALTA policies generally exclude coverage relating to voidable transactions arising out of the current transactions. However, the 2006 and 2020 ALTA policies include Covered Risks as to prior transactions.
	<u>i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or</u>	SAME. The 2006 and 2020 ALTA Owner's Policies exclude liability for a voidable preference claim arising out of the transaction vesting the Title because the transfer was not a contemporaneous exchange for new value given to the debtor (regardless of the subsequent timing of recording).
	<u>ii. for any other reason not stated in Covered Risk 9.b.</u>	SAME. Exclusion 4.c.ii. of the 2020 ALTA Owner's Policy is the same as Exclusion 4(b) of the 2006 ALTA Owner's Policy.
	<u>5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.</u>	NEW COVERAGE. Covered Risk 8 of the 2020 ALTA Owner's Policy insures with respect to enforcement of a PACA-PSA Trust (as defined in the Conditions), but only to the extent of the enforcement described in an Enforcement Notice. The Perishable Agricultural Commodities Act (7 U.S.C. §§ 499a, et seq.) imposes a trust under 7 U.S.C. § 499e(c) for unpaid suppliers, sellers and agents of fresh fruits and fresh vegetables, The Packers and Stockyards Act (7 U.S.C. §§ 181, et seq.) establishes a similar trust on assets of packers to protect livestock producers.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.	6. Any lien on the Title for real estate taxes or assessments, imposed <u>or collected by a governmental authority that becomes due and payable after and created or attaching between the Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.</u>	SIMILAR. The 2006 and 2020 ALTA Owner's Policy provide gap coverage (Covered Risk 10). Because of Exclusion 5 of the 2006 ALTA Owner's Policy and the parameters of the gap coverage, the gap coverage does not include real estate taxes and assessments. The 2020 ALTA Owner's Policy does not insure against taxes and assessments that become due and payable after the Date of Policy, whether before or after recording of deed or other instrument of transfer. Exclusion 6 does not affect the coverage of Covered Risk 2.b., which insures against real estate taxes and assessments due or payable, but unpaid.
	<u>7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.</u>	NEW EXCLUSION. Covered Risk 2.c. of the 2006 and 2020 ALTA policies do not insure the acreage or quantity of the Land or of any improvement.
	<u>[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:</u> <u>Issuing Agent;</u> <u>Issuing Office;</u> <u>Issuing Office's ALTA® Registry ID;</u> <u>Issuing Office File Number;</u> <u>Property Address.]</u>	NEW OPTIONAL PROVISION. A Transaction Identification Data header has been added to Schedule A to provide clarity and, again, make post-closing smoother and general inquiries easier to initiate. This informational header was added to the 2016 ALTA Commitment for Title Insurance and is now carried over to the policies. This information is intentionally set apart from the insured information in Schedule A so it's not an insured matter but serves as reference information to improve communication between the policy issuer and the lender or servicer to verify that the proper property, loan, and settlement location is being used on the file. This loan and property verification should make sale on the secondary market more efficient as well. This new header includes the ALTA Registry ID – the unique settlement agent identifier created and maintained by ALTA to provide lenders with a single source of truth for underwriter-confirmed title agents' contact information.
SCHEDULE A	SCHEDULE A	SAME.
Name and Address of Title Insurance Company: [File No.:] Policy No.: Address Reference: Amount of Insurance: \$ [Premium: \$] Date of Policy: [at a.m./p.m.]	Name and Address of Title Insurance Company: [File No.:] Policy No.: Number: Address Reference: Amount of Insurance: \$ [Premium: \$] Date of Policy: [at a.m./p.m.]	SAME. The 2006 and 2020 ALTA policies state the name of the title insurer. This additional information facilitates client identification of the title insurer if the jacket is not attached.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
1. Name of Insured:	1. Name of The Insured is:	SAME.
2. The estate or interest in the Land that is insured by this policy is:	2. The estate or interest in the Land that is insured by this policy is:	SAME.
3. Title is vested in:	3. <u>The</u> Title is vested in:	SAME.
4. The Land referred to in this policy is described as follows:	4. The Land referred to in this policy is described as follows:	SAME. Since Land is a defined term, the additional wording was unnecessary.
	<u>5. This policy incorporates by reference the endorsements designated below, adopted by the [American Land Title Association][] as of the Date of Policy.]</u>	NEW OPTIONAL PROVISION. The 2020 ALTA policies allow reference to adopted ALTA endorsements. Reference can also be made to other available endorsements.
SCHEDULE B	SCHEDULE B	SIMILAR.
[File No.] Policy No.	[File No.] Policy No. Number.	SIMILAR.
EXCEPTIONS FROM COVERAGE	EXCEPTIONS FROM COVERAGE	SIMILAR.
	<u>This policy does not republish any covenant, condition, restriction, or limitation contained in any document referred to in this policy to the extent that the specific covenant, condition, restriction, or limitation violates local, state, or federal discrimination law, including laws based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, national origin, or other legally protected class.</u>	NEW PROVISION. Typically, a similar reference is made in an exception to restrictions that may contain unenforceable discriminatory provisions. This provision would apply to all restrictions.
This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:	This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of <u>resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:</u>	SIMILAR. This provision excepts to the terms of leases and easements identified in Schedule A.
	<u>(Insert Schedule B exceptions here)</u>	SIMILAR. Although the ALTA has adopted optional standard exceptions, there are no standard exceptions incorporated in the 2006 ALTA policies or the 2020 ALTA policies.
1. [Policy may include regional exceptions if so desired by the issuing Company.]	1. [Policy may include regional exceptions if so desired by the issuing Company.]	
2. [Variable exceptions such as taxes, easements, CC&R's, etc., shown here]	2. [Variable exceptions such as taxes, easements, CC&R's, etc., shown here]	
CONDITIONS	CONDITIONS	DIFFERENT COVERAGE. There are a number of differences in the Conditions of the 2006 and 2020 ALTA policies.
1. DEFINITION OF TERMS	1. DEFINITION OF TERMS	
The following terms when used in this policy mean:	The following terms when used in this policy mean:	
	<u>a. "Affiliate": An Entity:</u>	SIMILAR.
	<u>i. that is wholly-owned by the Insured;</u>	Although the 2006 ALTA policies did not contain this definition, the definition in the 2020 ALTA policies has not changed the scope of coverage.
	<u>ii. that wholly-owns the Insured; or</u>	
	<u>iii. if that Entity and the Insured are both wholly-owned by the same person or Entity.</u>	
(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.	(a)b. "Amount of Insurance": The amount <u>Amount of Insurance</u> stated in Schedule A, as may be increased <u>by Condition 8.c.</u> or decreased by <u>endorsement to this policy, Condition 10 or 11; or</u> increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions, endorsements to this policy.	SIMILAR. The 2020 ALTA policies refer to endorsements, which may modify the Amount of Insurance.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.	(b)c. "Date of Policy": The date designated as "Date of Policy" stated in Schedule A.	SIMILAR.
	<u>d.</u> "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:	SIMILAR. This is a new definition in the 2020 ALTA policies. "Enforcement Notice" is used in Covered Risks 5, 6, 7.a., and 8 of the 2020 ALTA policies and in the definition of Public Records of the 2020 ALTA policies.
	<u>i.</u> is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;	
	<u>ii.</u> is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or	
	<u>iii.</u> asserts a right to enforce a PACA-PSA Trust.	
(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.	(c)e. "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity <u>authorized by law to own title to real property in the jurisdiction where the Land is located.</u>	SIMILAR. The term "Entity" is used primarily in the definition of the Insured.
(d) "Insured":	(d)f. "Insured":	IMPROVED COVERAGE.
The Insured named in Schedule A.	<u>i.</u> (1) The Insured named in <u>Item 1</u> of Schedule A;	SAME.
(i) the term "Insured" also includes	(i) the term "Insured" also includes	
(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;	(A2) successors <u>the successor</u> to the Title of the an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;	SAME.
(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;	(B3) successors <u>the successor</u> to <u>the Title of</u> an Insured <u>by resulting from</u> dissolution, merger, consolidation, distribution, or reorganization;	SIMILAR. This additional language in the 2020 ALTA Owner's Policy does not alter the coverage that was provided in the 2006 ALTA Owner's Policy, but does clarify that the Insured is a person that holds the Title as a successor.
(C) successors to an Insured by its conversion to another kind of Entity;	(C4) successors <u>the successor</u> to <u>the Title of</u> an Insured <u>by resulting from</u> its conversion to another kind of Entity; <u>or</u>	SIMILAR. This additional language in the 2020 ALTA Owner's Policy does not alter the coverage that was provided in the 2006 ALTA Owner's Policy, but does clarify that the Insured is a person that holds the Title as a successor.
(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title	(D5) the grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying or other instrument transferring the Title, <u>if the grantee is:</u>	INCREASED COVERAGE. The 2020 ALTA policies no longer condition the application of the definition of the Insured on a deed to an affiliate "delivered without payment of actual valuable consideration."
	<u>(a)</u> an Affiliate;	
(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,	(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,	SIMILAR. The definition of Affiliate in the 2020 ALTA policies incorporates this provision.
(2) if the grantee wholly owns the named Insured,	(2) if the grantee wholly owns the named Insured,	SIMILAR. The definition of Affiliate in the 2020 ALTA policies incorporates this provision.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or	(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or	SIMILAR. The definition of Affiliate in the 2020 ALTA policies incorporates this provision.
(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.	(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes <u>by an Insured;</u>	SAME. The 2020 ALTA Owner's Policy does not require that the deed be delivered without payment of valuable consideration.
	<u>(c) a spouse who receives the Title because of a dissolution of marriage;</u>	INCREASED COVERAGE. The 2020 ALTA Owner's Policy will extend to a spouse of the Insured, whether by divorce decree, settlement agreement, or deed in connection with the dissolution of marriage.
	<u>(d) a transferee by a transfer effective on the death of an Insured as authorized by law; or</u>	INCREASED COVERAGE. This definition will include a beneficiary under a Transfer on Death Deed or other transfer that is effective on the death of the Insured.
	<u>(e) another Insured named in Item 1 of Schedule A.</u>	INCREASED COVERAGE. If two or more persons are named as Insureds in Schedule A of the policy, the policy coverage will extend to the interest acquired by an Insured from another Insured. This provision may apply if the Insureds are co-tenants or if the Insureds own different interests.
(ii) with regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.	(ii) with regard to (A), (B), (C), and (D) reserving, however, <u>The Company reserves</u> all rights and defenses as to any successor <u>or grantee</u> that the Company would have had against any predecessor Insured.	SIMILAR. In each case where a successor or grantee becomes an Insured under the ALTA Owner's Policy, it will be subject to defenses that applied to the predecessor Insured.
(e) "Insured Claimant": An Insured claiming loss or damage.	(e)g. "Insured Claimant": An Insured claiming loss or damage <u>arising under this policy.</u>	SAME.
(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.	(f)h. "Knowledge" or "Known": Actual knowledge, <u>or actual notice, but</u> not constructive <u>knowledge or notice that may be imputed to an Insured imparted</u> by reason of the Public Records <u>or any other records that impart constructive notice of matters affecting the Title.</u>	SIMILAR. There are different views on whether actual knowledge is the same as or includes actual notice, which is expressly included in the definition of "Knowledge" of the 2020 ALTA policies.
(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.	(g)i. "Land": The land described in <u>Item 4 of Schedule A,</u> and affixed improvements <u>located on that land at the Date of Policy</u> that by law constitute real property. The term "Land" does not include any property beyond <u>the lines of the area that</u> described in Schedule A, nor any right, title, interest, estate, or easement in <u>any</u> abutting streets, roads, avenues, alleys, lanes, <u>right-of-ways, body of water,</u> or waterways, but <u>this</u> does not modify or limit the extent that a right of access to and from the Land is insured by this policy.	SAME.
(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.	(h)l. "Mortgage": <u>Mortgage</u> <u>A mortgage,</u> deed of trust, trust deed, <u>security deed,</u> or other <u>real property</u> security instrument, including one evidenced by electronic means authorized by law.	SAME.
	<u>k. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar state or federal law.</u>	NEW COVERAGE. The term "PACA-PSA Trust" is used in Covered Risk 8 and in the Exclusions of the 2020 ALTA policies.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.	(i) l. "Public Records": Records <u>The recording or filing system</u> established under state statutes <u>in effect at the Date of Policy under which a document must be recorded or filed to for the purpose of imparting</u> constructive notice of matters relating to real property <u>the Title</u> to purchasers <u>a purchaser</u> for value and without Knowledge. With respect to Covered Risk 5(d), The term "Public Records" shall also <u>does not</u> include <u>any other recording or filing system, including any record pertaining to</u> environmental protection liens filed in the records of planning, permitting, zoning, licensing, building, health, public safety, or national security matters <u>the clerk of the United States District Court for the district where the Land is located.</u>	SIMILAR. The 2020 ALTA policies modify the definition of Public Records to distinguish those records that are Public Records for purposes of title insurance policies and other governmental records that have not intended to be, and are generally not construed as, within the scope of Public Records for limited purposes in title insurance policies.
(j) "Title": The estate or interest described in Schedule A.	m. "Title": The estate or interest in the Land described <u>identified</u> in Item 2 of Schedule A.	SAME.
(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.	(k) n. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or <u>a</u> lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.	SAME. The 2020 ALTA policies have made no changes to the definition of "Unmarketable Title."
2. CONTINUATION OF INSURANCE	2. CONTINUATION OF <u>INSURANCE COVERAGE</u>	SAME.
The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.	The coverage of this <u>This</u> policy shall <u>continues</u> in force as of <u>the</u> Date of Policy in favor of an Insured, but only so long as the Insured:	
	<u>a.</u> retains an estate or interest in the Land, or	
	<u>b.</u> holds owns an obligation secured by a purchase money <u>m</u> Mortgage given by a purchaser from the Insured, or	
	<u>c.</u> only so long as the Insured shall have <u>has</u> liability by reason of <u>for</u> warranties <u>given by the Insured</u> in any transfer or conveyance of the <u>Insured's</u> Title.	
	<u>Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title.</u> This policy shall <u>does</u> not continue in force <u>or effect</u> in favor of any purchaser from person or Entity that is not the Insured of either (i) an estate or interest in the Land, and acquires the Title or (ii) an obligation secured by a purchase money <u>m</u> Mortgage given to the Insured.	

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
<p>3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT</p> <p>The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.</p>	<p>3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT</p> <p>The Insured shall<u>must</u> notify the Company promptly in writing <u>if the Insured has Knowledge of:</u></p> <p>a. (i) in case of any litigation or other matters set forth in Section 5(a) of these Conditions;</p> <p>(ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of under this policy; or</p> <p>b. (iii) any rejection of if the Title, as insured, is rejected as Unmarketable Title.</p> <p>If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the this policy shall be<u>is</u> reduced to the extent of the prejudice.</p>	<p>SIMILAR.</p>
<p>4. PROOF OF LOSS</p> <p>In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.</p>	<p>4. PROOF OF LOSS</p> <p>In the event the Company is unable to determine the amount of loss or damage, the<u>The</u> Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, <u>adverse claim</u>, or other matter insured against by this policy, that constitutes the basis of loss or damage and shall<u>must</u> state, to the extent possible, the basis of calculating the amount of the loss or damage.</p>	<p>DIFFERENT COVERAGE.</p> <p>DIFFERENT COVERAGE. The 2020 ALTA policies do not condition the right of the Company to require a signed proof on its inability to determine the amount of loss or damage.</p>
<p>5. DEFENSE AND PROSECUTION OF ACTIONS</p> <p>(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.</p>	<p>5. DEFENSE AND PROSECUTION OF ACTIONS</p> <p>(a).<u>2</u> Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions<u>Condition 7</u>, the Company, at its own cost and without unreasonable delay, shall<u>will</u> provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have<u>has</u> the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated<u>covered</u> causes of action. It shall<u>The Company is</u> not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes<u>any cause</u> of action that alleges matters not insured against by this policy.</p>	<p>SAME.</p>

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.	(b) The Company shall have <u>has</u> the right, in addition to the options contained in Section 7 of these Conditions <u>Condition 7</u> , at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be <u>is</u> liable to the Insured. The <u>Company's</u> exercise of these rights shall <u>is</u> not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection <u>Condition 5.b.</u> , it must do so diligently.	SAME. Both the 2006 ALTA policies and the 2020 ALTA policies require the Company to exercise its rights diligently.
(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.	(c) Whenever <u>When</u> the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly <u>The Company</u> reserves the right, in its sole discretion, to appeal any adverse judgment or order.	
6. DUTY OF INSURED CLAIMANT TO COOPERATE	6. DUTY OF INSURED CLAIMANT TO COOPERATE	SIMILAR.
(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.	(a) In all cases where <u>When</u> this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall <u>will</u> secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.	
Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured.	Whenever <u>When</u> requested by the Company, the Insured, at the Company's expense, shall <u>must</u> give the Company all reasonable aid <u>in</u> .	
	(i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and	
	(ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter, <u>as insured.</u>	
If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.	If the Company is prejudiced by <u>any</u> the failure of the Insured to furnish the required cooperation, the Company's <u>liability and</u> obligations to the Insured under <u>this</u> the policy shall terminate, including any <u>liability or</u> obligation to defend, prosecute, or continue any litigation, with regard to <u>regarding</u> the matter or matters requiring such cooperation.	

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
<p>(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.</p>	<p>(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after <u>the</u> Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall<u>must</u> grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these<u>the</u> records in the custody or control of a third party that reasonably pertain to the loss or damage. All<u>No</u> information designated <u>in writing</u> as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not<u>Condition 6 will</u> be later disclosed to others unless, in the reasonable judgment of the Company, a disclosure <u>is</u> necessary in the administration of the claim. Failure or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, Condition 6.b. <u>Condition 6.b.</u> unless prohibited by law or governmental regulation, <u>shall terminate</u>terminates any liability of the Company under this policy as to that claim.</p>	<p>SIMILAR. The 2020 ALTA policies recognize that the Company may disclose confidential records if required by law.</p>
<p>7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY</p>	<p>7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY</p>	<p>SAME. The changes made in Condition 7 of the 2020 ALTA policies were non-substantive revisions.</p>
<p>In case of a claim under this policy, the Company shall have the following additional options:</p>	<p>In case of a claim under this policy, the Company shall have<u>has</u> the following additional options:</p>	
<p>(a) To Pay or Tender Payment of the Amount of Insurance.</p>	<p>(a) To Pay or Tender Payment of the Amount of Insurance.</p>	
<p>To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.</p>	<p>To pay or tender payment of the Amount of Insurance under this policy together with <u>In addition, the Company will pay</u> any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.</p>	
<p>Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.</p>	<p>Upon the exercise by the Company of this option, all provided for in Condition 7.a., the Company's liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, <u>shall</u> terminate, including any liability or obligation to defend, prosecute, or continue any litigation.</p>	

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.	(b) <u>To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant</u>	
(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or	(i) <u>To pay or otherwise settle with other parties other than the Insured for or in the name of an the Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or</u>	
(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.	(ii) <u>To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with, <u>In addition, the Company will pay</u> any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.</u>	
Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.	Upon the exercise by the Company of either of the options <u>option</u> provided for in <u>Condition 7.b.</u> subsections (b)(i) or (ii) , the Company's <u>liability and</u> obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.	
8. DETERMINATION AND EXTENT OF LIABILITY	8. <u>CONTRACT OF INDEMNITY;</u> DETERMINATION AND EXTENT OF LIABILITY	SIGNIFICANT CHANGES AND IMPROVED COVERAGE.
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.	This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the <u>an</u> Insured Claimant who has suffered <u>the</u> loss or damage by reason of matters insured against by this policy. <u>This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.</u>	SIMILAR. Condition 8 clarifies that the policy is a contract of indemnity; the 2020 ALTA policies further state that the policies are not abstracts of title, reports, legal opinions, opinions of title, or other representations of title.
(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of	(a) <u>The extent of liability of the Company for loss or damage under this policy shall <u>does</u> not exceed the lesser of:</u>	SAME.
(i) the Amount of Insurance; or	(i) <u>the Amount of Insurance; or</u>	SAME. The "Amount of Insurance" is a defined term and can fluctuate.
(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.	(ii) <u>the difference between the <u>fair market</u> value of the Title, <u>as insured</u>, and the <u>fair market</u> value of the Title subject to the risk <u>matter</u> insured against by this policy.</u>	SAME.
	<u>b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.</u>	IMPROVED COVERAGE. The 2020 ALTA Owner's Policy provides a procedure for the Insured to select the date for determining the amount of loss; previously the policy did not address this issue unless the Company was unsuccessful in establishing the Title.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	<u>c.</u> If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.	
(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,	(b)d. If the Company pursues its rights under Section 5 of these Conditions <u>Condition 5.b.</u> and is unsuccessful in establishing the Title, as insured.	
(i) the Amount of Insurance shall be increased by 10%, and	(i). the Amount of Insurance shall <u>will</u> be increased by 40 <u>15</u> %; and	IMPROVED COVERAGE. The 2006 ALTA Owner's Policy provides that the Amount of Insurance will be increased by 10% if the Company is unsuccessful in establishing the Title as insured. The 2020 ALTA Owner's Policy provides that the Amount of Insurance will be increased by 15% if the Company is unsuccessful in establishing the Title as insured.
(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.	(ii). the Insured Claimant <u>may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.</u> shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.	IMPROVED COVERAGE. New Condition 8.b. provides additional choices for the Insured to choose the date for determining the amount of the loss or damage, and revised Condition 8.c.ii. establishes a third alternative date as of the date the settlement action, proceeding, or other act is concluded.
(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.	(c)e. In addition to the extent of liability <u>for loss or damage</u> under (a) and (b) Conditions 8.a. and 8.d., the Company will also pay these <u>the</u> costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions <u>Conditions 5 and 7.</u>	SAME.
9. LIMITATION OF LIABILITY	9. LIMITATION OF LIABILITY	SAME. These sections are substantively the same, minor changes have been made in the 2020 ALTA policies for easier readability.
(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.	(a). If the The Company <u>fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:</u>	SAME. The Company may cure the matter and thereby satisfy all of its obligations. The 2020 ALTA policies substitute the requirement that the Company performs its obligations in a "reasonable manner" instead of a reasonably diligent manner.
	<u>i.</u> establishes the Title, or removes the alleged defect, lien, or encumbrance, <u>adverse claim, or other matter, or</u>	
	<u>ii.</u> cures the lack of a right of access to and from the Land; or	
	<u>iii.</u> cures the claim of Unmarketable Title,	
	all as insured, in a reasonably diligent manner. The Company may do so by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.	

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.	(b) In the event The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by <u>until</u> a court of competent jurisdiction, and disposition of all appeals, <u>makes a final, non-appealable determination</u> , adverse to the Title, as insured .	SAME. The Company generally is not liable for loss relating to litigation until it has exhausted appeals. If the Company successfully litigates, it has no further liability.
(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.	(c) The Company shall <u>is</u> not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.	SAME. The policy provides that the Company controls the settlement of a claim or a suit relating to a covered matter. If the Insured voluntarily settles a matter, without consent of the Company, there may be no liability under the policy.
	<u>d. The Company is not liable for the content of the Transaction Identification Data, if any.</u>	NEW COVERAGE. The Transaction Identification Data is transaction information that is not insured.
10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY	10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY <u>INSURANCE</u>	INCREASED COVERAGE.
All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.	All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.	SAME. Payments under the 2006 or 2020 ALTA Owner's Policy reduce the Amount of Insurance, except payments made for costs, attorneys' fees, and expenses.
11. LIABILITY NONCUMULATIVE	11. LIABILITY NONCUMULATIVE	SAME.
The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.	The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after <u>the</u> Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.	SAME. The 2006 and 2020 ALTA Owner's Policy reduce the Amount of Insurance by the amount the Company pays under a Mortgage insured by the same title insurer if the Mortgage is excepted in the Owner's Policy, or if the Mortgage is agreed, assumed, or taken subject to, or which is executed by the Insured owner after the Date of Policy. There is no equivalent provision in the 2006 or 2020 ALTA Loan Policy.
12. PAYMENT OF LOSS	12. PAYMENT OF LOSS	SAME.
When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.	When liability and the extent of loss or damage have been definitely fixed <u>are determined</u> in accordance with these <u>the</u> Conditions, the payment shall be made <u>Company will pay the loss or damage</u> within 30 days.	SAME. The 2006 and 2020 ALTA policies do not require production of the policy if a claim is made.
13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT	13. <u>COMPANY'S RIGHTS OF RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT</u> OR SETTLEMENT	SIMILAR.
(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.	(a) Whenever <u>if</u> the Company shall have settled <u>settles</u> and paid <u>pays</u> a claim under this policy, it shall be <u>is</u> subrogated and entitled to the rights <u>and remedies</u> of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, <u>entity</u> , or property, to the <u>fullest</u> extent of permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall <u>must</u> execute documents to evidence the transfer to the Company of these rights and remedies, <u>to the Company</u> . The Insured Claimant shall permit <u>permits</u> the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.	SAME. The Insured must cooperate in transferring rights to which the title insurer is subrogated. Subrogation is not conditioned on execution by the Insured of an assignment.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.	<u>b.</u> If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer <u>defers</u> the exercise of its <u>subrogation</u> right to recover until after the Insured Claimant shall have recovered <u>fully recovers</u> its loss.	SAME. The 2006 and 2020 ALTA Owner's Policy provide that the title insurer's subrogation rights are deferred until the Insured fully recovers its loss.
(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.	<u>c.(b)</u> The Company's right of subrogation <u>right</u> includes the <u>Insured's</u> rights of the Insured to indemnities, guaranties, <u>warranty</u> , other policies of insurance, <u>policy</u> , or bonds, notwithstanding despite any terms or conditions <u>provision</u> contained in those instruments that address <u>recovery or</u> subrogation rights.	SIMILAR. Condition 12.c. of the 2020 ALTA Owner' Policy is substantially the same as Condition 12(b) of the 2006 ALTA Owner's Policy. The 2006 and 2020 ALTA Owner's Policy provide that the insurer may recover against non-insured obligors, such as insurers, sureties, and warrantors.
14. ARBITRATION	14. ARBITRATION	SIMILAR.
Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.	Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.	SAME. Condition 19 of the 2020 ALTA Owner's Policy is an optional provision that a title insurer may include in the policy where allowed by applicable law. In some states, the section must be deleted or modified in order to secure approval for filing of the policy. Both the 2006 and 2020 ALTA policies provide mandatory or binding arbitration at the election of either the Company or the Insured if the Amount of Insurance does not exceed \$2,000,000. However, if the Amount of Insurance exceeds \$2,000,000, then a claim or dispute may be submitted to binding arbitration only if agreed to by both the Insured and the Company. The governing rules in the 2020 ALTA policies are the Title Insurance Arbitration Rules of the ALTA (most recently revised 08-01-2017), which incorporate the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association. Claims and disputes must be brought in an individual capacity and may not be brought as a class action under the 2020 ALTA policies. The 2006 ALTA policy Arbitration Condition also makes it clear that, except as provided in the Rules, there can be no joinder or consolidation with claims or controversies of other parties.
15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT	15.14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT	SAME. Condition 14 in the 2020 ALTA Owner's Policy is substantially the same as Condition 15 in the 2006 ALTA Owner's Policy.
(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.	<u>(a)</u> This policy together with all endorsements, if any, attached to it <u>issued</u> by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall <u>will</u> be construed as a whole. <u>This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.</u>	SAME. The provisions of Condition 14.a. and 14.b. of the 2020 ALTA Owner's Policy are similar to Conditions 15(a), 15(b), and 15(c) in the 2006 ALTA Owner's Policy. Condition 14.a. also states that the policy and any endorsement may be evidenced by electronic means. Various other provisions such as the introductory paragraph of the 2020 ALTA policies recognize that the policy and endorsement may be issued electronically.
(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.	(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.	SAME. The 2006 ALTA policies waive liability for negligence to the extent allowed by law and restrict any claim to the policy. Condition 8 of the 2020 ALTA policies waives liability for negligence and negligent misrepresentation and states that the policies are not abstracts of title, reports, legal opinions, opinions of title, or other representation of title.
(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.	(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.	SAME. The 2020 ALTA policies authorize any policy or endorsement to be issued electronically.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not	(d) <u>b.</u> <u>Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of this policy, the term or provision of the endorsement controls. Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Unless</u> Except as the endorsement expressly states, it does not:	SAME. The endorsement serves as an amendment to the policy, regardless of whether the endorsement refers to the terms of the policy. Any endorsement is subject to the terms of the policy, except as it expressly provides otherwise, and is subject to the Exclusions, Conditions, and Exceptions.
(i) modify any of the terms and provisions of the policy,	(i) <u>modify any of the terms and provisions of the policy;</u>	
(ii) modify any prior endorsement,	(ii) <u>modify any prior endorsement,</u>	
(iii) extend the Date of Policy, or	(iii) <u>extend the Date of Policy, or</u>	
	<u>iii</u> <u>insure against loss or damage exceeding the Amount of Insurance, or</u>	
(iv) increase the Amount of Insurance.	(iv) <u>increase the Amount of Insurance.</u>	
16. SEVERABILITY	16 15. SEVERABILITY	SAME.
In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.	In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the <u>is</u> policy shall <u>will</u> be deemed not to include that provision or such <u>the</u> part held to be invalid, but all other provisions shall <u>will</u> remain in full force and effect.	SAME. Condition 15 of the 2020 ALTA Owner's Policy is substantively the same as Condition 16 of the 2006 ALTA Owner's Policy. Each policy makes it clear that the severability provision applies even in situations where only part of a provision of the policy has been declared invalid or unenforceable.
17. CHOICE OF LAW; FORUM	17 16. CHOICE OF LAW AND CHOICE OF FORUM	SAME.
(a) Choice of Law:	(a) Choice of Law:	SAME.
The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.	The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and the <u>law</u> applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.	SAME. Condition 17(a) of the 2006 ALTA Owner's Policy and Condition 16.a of the 2020 ALTA Owner's Policy clearly provide the law of the state of the jurisdiction of the Land governs the interpretation, rights, remedies, or enforcement of the policy. This provision is necessary because of increased multi-state and cross-border transactions.
Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.	Therefore, the <u>Any</u> court or an arbitrator shall <u>must</u> apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall <u>may</u> the court or arbitrator apply its conflicts of law principles to determine the applicable law.	
(b) Choice of Forum:	(b) Choice of Forum:	SAME.
Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.	Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.	SAME. Given the ever-widening locations and domiciles of parties and transactions, it is viewed as appropriate to state that proceedings must occur in the United States.
18. NOTICES, WHERE SENT	18 17. NOTICES, WHERE SENT	SAME.
Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at [fill in].	Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: <u>(fill in)</u>	SAME. Each policy provides that any notice of a claim or other notice or statement in writing required to be given to the Company must be given to the Company as stated.

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	<u>18. CLASS ACTION</u>	SIMILAR.
	<u>ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING.</u>	SIMILAR. Claims and disputes must be brought in an individual capacity and may not be brought as a class action under the 2020 ALTA policies, as provided in this Condition and in the Arbitration provision. The 2006 ALTA policy Arbitration section also makes it clear that, except as provided in the Rules, there can be no joinder or consolidation with claims or controversies of other parties.
	<u>19. ARBITRATION</u>	SIMILAR.
	<u>a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.</u>	SIMILAR. Condition 19 of the 2020 ALTA Owner's Policy is an optional provision that a title insurer may include in the policy where allowed by applicable law. In some states, the section must be deleted or modified in order to secure approval for filing of the policy. Both the 2006 and 2020 ALTA policies provide mandatory or binding arbitration at the election of either the Company or the Insured if the Amount of Insurance does not exceed \$2,000,000. However, if the Amount of Insurance exceeds \$2,000,000, then a claim or dispute may be submitted to binding arbitration only if agreed to by both the Insured and the Company. The governing rules in the 2020 ALTA policies are the Title Insurance Arbitration Rules of the ALTA (most recently revised 08-01-2017), which incorporate the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association. Claims and disputes must be brought in an individual capacity and may not be brought as a class action under the 2020 ALTA policies. The 2006 ALTA policy Arbitration section also makes it clear that, except as provided in the Rules, there can be no joinder or consolidation with claims or controversies of other parties.
	<u>b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 19. The arbitrator does not have authority to conduct any class action arbitration, private attorney general arbitration, or arbitration involving joint or consolidated claims under any circumstance.</u>	
	<u>c. If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 19, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 19.</u>	

ALTA OWNER'S POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA OWNER'S POLICY	2020 ALTA OWNER'S POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	<p><u>d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.]</u></p>	
NOTE: Bracketed [] material optional	NOTE: Bracketed [] material optional	
Copyright 2006-2009 American Land Title Association. All rights reserved. The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.	Copyright 2020 2006-2009 American Land Title Association. All rights reserved. The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association. This form has not been adopted as an ALTA standard Form	SIMILAR.

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LOAN POLICY OF TITLE INSURANCE
issued by
BLANK TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, *Blank Title Insurance Company*, a *Blank* corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - a. a defect in the Title caused by:
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
 - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental remediation or protection on the Land.
6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
7. An exercise of the power of eminent domain, but only to the extent:
 - a. of the exercise described in an Enforcement Notice; or
 - b. the taking occurred and is binding on a purchaser for value without Knowledge.
8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.

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- 57 **9.** The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. Covered Risk 9 includes, but
58 is not limited to, insurance against loss caused by:
- 59 a. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - 60 b. the failure of a person or Entity to have authorized a transfer or conveyance;
 - 61 c. the Insured Mortgage not being properly authorized, created, executed, witnessed, sealed,
62 acknowledged, notarized (including by remote online notarization), or delivered;
 - 63 d. a failure to perform those acts necessary to create an Insured Mortgage by electronic means authorized
64 by law;
 - 65 e. a document having been executed under a falsified, expired, or otherwise invalid power of attorney;
 - 66 f. the Insured Mortgage not having been properly filed, recorded, or indexed in the Public Records,
67 including the failure to have performed those acts by electronic means authorized by law;
 - 68 g. a defective judicial or administrative proceeding; or
 - 69 h. invalidity or unenforceability of the lien of the Insured Mortgage as a result of the repudiation of an
70 electronic signature by a person that executed the Insured Mortgage because the electronic signature
71 on the Insured Mortgage was not valid under applicable electronic transactions law.
- 72 **10.** The lack of priority of the lien of the Insured Mortgage over any other lien or encumbrance on the Title as security
73 for the following components of the Indebtedness:
- 74 a. the amount of the principal disbursed as of the Date of Policy;
 - 75 b. the interest on the obligation secured by the Insured Mortgage;
 - 76 c. the reasonable expense of foreclosure;
 - 77 d. amounts advanced for insurance premiums by the Insured before the acquisition of the estate or interest
78 in the Title; and
 - 79 e. the following amounts advanced by the Insured before the acquisition of the estate or interest in the Title
80 to protect the priority of the lien of the Insured Mortgage:
 - 81 i. real estate taxes and assessments imposed by a governmental taxing authority; and
 - 82 ii. regular, periodic assessments by a property owners' association.
- 83 **11.** The lack of priority of the lien of the Insured Mortgage upon the Title:
- 84 a. as security for each advance of proceeds of the loan secured by the Insured Mortgage over any statutory
85 lien for service, labor, material, or equipment arising from construction of an improvement or work related
86 to the Land when the improvement or work is:
 - 87 i. contracted for or commenced on or before the Date of Policy; or
 - 88 ii. contracted for, commenced, or continued after the Date of Policy if the construction is financed,
89 in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured
90 has advanced or is obligated on the Date of Policy to advance; and
 - 91 b. over the lien of any assessments for street improvements under construction or completed at the Date
92 of Policy.
- 93 **12.** The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown
94 in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the
95 named Insured assignee free and clear of all liens.
- 96 **13.** The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title, or
97 a court order providing an alternative remedy:
- 98 a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land
99 or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage
100 because that prior transfer constituted:
 - 101 i. a fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy,
102 state insolvency, or similar creditors' rights law; or
 - 103 ii. a voidable transfer under the Uniform Voidable Transactions Act; or
 - 104 b. because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state
105 insolvency, or similar creditors' rights law by reason of the failure:
 - 106 i. to timely record the Insured Mortgage in the Public Records after execution and delivery of the
107 Insured Mortgage to the Insured; or
 - 108 ii. of the recording of the Insured Mortgage in the Public Records to impart notice of its existence
109 to a purchaser for value or to a judgment or lien creditor.
- 110 **14.** Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has
111 been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy
112 and prior to the recording of the Insured Mortgage in the Public Records.
113

DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

BLANK TITLE INSURANCE COMPANY

BY: _____
PRESIDENT

BY: _____
SECRETARY

For Comment By 12-31-2020



EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law of the state where the Land is located.
 5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is:
 - a. a fraudulent conveyance or fraudulent transfer;
 - b. a voidable transfer under the Uniform Voidable Transactions Act; or
 - c. a preferential transfer:
 - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 13.b.
 7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.
 8. Any lien on the Title for real estate taxes or assessments, imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
 9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

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179 **[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:**

- 180 Issuing Agent:
- 181 Issuing Office:
- 182 Issuing Office's ALTA® Registry ID:
- 183 Loan ID Number:
- 184 Issuing Office File Number:
- 185 Property Address:]

SCHEDULE A

188
189 Name and Address of Title Insurance Company:

190 Policy Number:

191 Amount of Insurance: \$ [Premium: \$]

192 Date of Policy: [at a.m./p.m.]

- 193
- 194 1. The Insured is:
- 195 2. The estate or interest in the Land encumbered by the Insured Mortgage is:
- 196 3. The Title encumbered by the Insured Mortgage is vested in:
- 197 4. The Insured Mortgage and its assignments, if any, are described as follows:
- 198 5. The Land is described as follows:
- 199 [6. This policy incorporates by reference the endorsements designated below, adopted by the [American Land Title
- 200 Association][] as of the Date of Policy:]
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- 202



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SCHEDULE B

Policy Number:

EXCEPTIONS FROM COVERAGE

This policy does not republish any covenant, condition, restriction, or limitation contained in any document referred to in this policy to the extent that the specific covenant, condition, restriction, or limitation violates local, state, or federal discrimination law, including laws based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, national origin, or other legally protected class.

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:
(Insert Schedule B exceptions here)]

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PART I

(Insert Schedule B exceptions here)

PART II

Covered Risk 10 insures against loss or damage sustained by the Insured by reason of the lack of priority of the lien of the Insured Mortgage over the matters listed in Part II, subject to the terms and conditions of any subordination provision in a matter listed in Part II:]



CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- a. "Affiliate": An Entity:
- i. that is wholly-owned by the Insured;
 - ii. that wholly-owns the Insured; or
 - iii. if that Entity and the Insured are both wholly-owned by the same person or Entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.c.; decreased by Condition 10; or increased or decreased by endorsements to this policy.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in Schedule A.
- e. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
- i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
 - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
 - iii. asserts a right to enforce a PACA-PSA Trust.
- f. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the jurisdiction where the Land is located.
- g. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- h. "Indebtedness": Any obligation secured by the Insured Mortgage, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
- i. the sum of:
 - (1) principal disbursed as of the Date of Policy;
 - (2) principal disbursed subsequent to the Date of Policy;
 - (3) the construction loan advances made subsequent to the Date of Policy for the purpose of financing, in whole or in part, the construction of an improvement to the Land or related to the Land that the Insured was and continues to be obligated to advance at the Date of Policy and at the date of the advance;
 - (4) interest on the loan;
 - (5) prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
 - (6) expenses of foreclosure and any other costs of enforcement;
 - (7) advances for insurance premiums;
 - (8) advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
 - (a) real estate taxes and assessments imposed by a governmental taxing authority, and
 - (b) regular, periodic assessments by a property owners' association; and
 - (9) advances to prevent deterioration of improvements before the Insured's acquisition of the Title, but
 - ii. reduced by the sum of all payments and any amounts forgiven by an Insured.
- i. "Insured":
- i. (1) The Insured named in Item 1 of Schedule A or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
 - (a) owns the Indebtedness for its own account or as a trustee or other fiduciary, or
 - (b) owns the Title after acquiring the Indebtedness;

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- 285 (2) the person or Entity who has “control” of the “transferable record,” if the Indebtedness
 286 is evidenced by a “transferable record,” as defined by applicable electronic transactions
 287 law;
 288 (3) the successor to the Title of an Insured resulting from dissolution, merger,
 289 consolidation, distribution, or reorganization;
 290 (4) the successor to the Title of an Insured resulting from its conversion to another kind of
 291 Entity;
 292 (5) the grantee of an Insured under a deed or other instrument transferring the Title, if the
 293 grantee is an Affiliate;
 294 (6) an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of
 295 the Insured Mortgage; or
 296 (7) any Government Mortgage Agency or Instrumentality.
 297 ii. With regard to Conditions 1.i.i.(1) and 1.i.i.(2), the Company reserves all rights and defenses as
 298 to any successor that the Company would have had against any predecessor Insured, unless
 299 the successor acquired the Indebtedness as a purchaser for value without Knowledge of the
 300 asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this
 301 policy.
 302 iii. With regard to Conditions 1.i.i.(3), 1.i.i.(4), 1.i.i.(5), and 1.i.i.(6), the Company reserves all rights
 303 and defenses as to any successor or grantee that the Company would have had against any
 304 predecessor Insured.
 305 j. “Insured Claimant”: An Insured claiming loss or damage arising under this policy.
 306 k. “Insured Mortgage”: The Mortgage described in Item 4 of Schedule A.
 307 l. “Knowledge” or “Known”: Actual knowledge or actual notice, but not constructive notice imparted by the
 308 Public Records.
 309 m. “Land”: The land described in Item 5 of Schedule A and improvements located on that land at the Date
 310 of Policy that by law constitute real property. The term “Land” does not include any property beyond that
 311 described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road,
 312 avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that
 313 a right of access to and from the Land is insured by this policy.
 314 n. “Mortgage”: A mortgage, deed of trust, trust deed, security deed, or other real property security
 315 instrument, including one evidenced by electronic means authorized by law.
 316 o. “Obligor”: A person or Entity that is or becomes a maker, borrower, or guarantor as to all or part of the
 317 Indebtedness or other obligation secured by the Insured Mortgage. A Government Mortgage Agency or
 318 Instrumentality is not an Obligor.
 319 p. “PACA-PSA Trust”: A trust under the federal Perishable Agricultural Commodities Act or the federal
 320 Packers and Stockyards Act or a similar state or federal law.
 321 q. “Public Records”: The recording or filing system established under state statutes in effect at the Date of
 322 Policy under which a document must be recorded or filed to impart constructive notice of matters relating
 323 to the Title to a purchaser for value without Knowledge. The term “Public Records” does not include any
 324 other recording or filing system, including any pertaining to environmental protection, planning,
 325 permitting, zoning, licensing, building, health, public safety, or national security matters.
 326 r. “Title”: The estate or interest in the Land identified in Item 2 of Schedule A.
 327 s. “Unmarketable Title”: The Title affected by an alleged or apparent matter that would permit a prospective
 328 purchaser or lessee of the Title, a lender on the Title, or a prospective purchaser of the Insured Mortgage
 329 to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring
 330 the delivery of marketable title.

331 2. CONTINUATION OF COVERAGE

332 This policy continues as of the Date of Policy in favor of an Insured:

- 333 a. after the Insured’s acquisition of the Title, so long as the Insured retains an estate or interest in the Land;
 334 and
 335 b. after the Insured’s conveyance of the Title, so long as the Insured:
 336 i. retains an estate or interest in the Land;
 337 ii. owns an obligation secured by a purchase money mortgage given by a purchaser from the
 338 Insured; or
 339 iii. has liability for warranties given by the Insured in any transfer or conveyance of the Insured’s
 340 Title.

341 Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the
 342 Insured conveys the Title. This policy does not continue in force or effect in favor of any person or Entity that is

343 not the Insured and acquires the Title or an obligation secured by a purchase money mortgage given to the
 344 Insured.

345 **3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**

346 The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- 347 a. any litigation or other matter for which the Company may be liable under this policy; or
 348 b. any rejection of the Title or the lien of the Insured Mortgage as Unmarketable Title.

349 If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's
 350 liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

351 **4. PROOF OF LOSS**

352 The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed
 353 proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter
 354 insured against by this policy, that constitutes the basis of loss or damage and must state, to the extent possible,
 355 the basis of calculating the amount of the loss or damage.

356 **5. DEFENSE AND PROSECUTION OF ACTIONS**

357 a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company,
 358 at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in
 359 which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is
 360 limited to only those stated causes of action alleging matters insured against by this policy. The Company
 361 has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable
 362 cause) to represent the Insured as to those covered causes of action. The Company is not liable for and
 363 will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses
 364 incurred by the Insured in the defense of any cause of action that alleges matters not insured against by
 365 this policy.

366 b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute
 367 and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or
 368 desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce
 369 loss or damage to the Insured. The Company may take any appropriate action under the terms of this
 370 policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an
 371 admission of liability or waiver of any provision of this policy. If the Company exercises its rights under
 372 Condition 5.b., it must do so diligently.

373 c. When the Company brings an action or asserts a defense as required or permitted by this policy, the
 374 Company may pursue the litigation to a final determination by a court of competent jurisdiction. The
 375 Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

376 **6. DUTY OF INSURED CLAIMANT TO COOPERATE**

377 a. When this policy permits or requires the Company to prosecute or provide for the defense of any action
 378 or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide
 379 defense in the action or proceeding, including the right to use, at its option, the name of the Insured for
 380 this purpose.

381 When requested by the Company, the Insured, at the Company's expense, must give the Company all
 382 reasonable aid in:

- 383 i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or
 384 effecting settlement; and
 385 ii. any other lawful act that in the opinion of the Company may be necessary or desirable to
 386 establish the Title, the lien of the Insured Mortgage, or any other matter, as insured.

387 If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the
 388 Company's liability and obligations to the Insured under this policy terminate, including any obligation to
 389 defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

390 b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any
 391 authorized representative of the Company and to produce for examination, inspection, and copying, at
 392 such reasonable times and places as may be designated by the authorized representative of the
 393 Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda,
 394 correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the
 395 Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized
 396 representative of the Company, the Insured Claimant must grant its permission, in writing, for any
 397 authorized representative of the Company to examine, inspect, and copy all the records in the custody
 398 or control of a third party that reasonably pertain to the loss or damage. No information designated in

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399 writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be
 400 later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in
 401 the administration of the claim or required by law. Any failure of the Insured Claimant to submit for
 402 examination under oath, produce any reasonably requested information, or grant permission to secure
 403 reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by
 404 law, terminates any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

a. **To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness**

- i. To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
- ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

b. **To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant**

- i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered the loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
 - i. the Amount of Insurance;
 - ii. the Indebtedness;
 - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
 - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
 - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
- c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured:

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- 456 i. the Amount of Insurance will be increased by 15%; and
 457 ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to
 458 the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding,
 459 or other act described in Condition 5.b. is concluded or the date the notice of claim required by
 460 Condition 3 is received by the Company as the date for calculating the fair market value of the
 461 Title in Condition 8.a.iii.
 462 d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will
 463 also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- 464 a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured
 465 if the Company accomplishes any of the following in a reasonable manner:
 466 i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
 467 ii. cures the lack of a right of access to and from the Land;
 468 iii. cures the claim of Unmarketable Title; or
 469 iv. establishes the lien of the Insured Mortgage,
 470 all as insured. The Company may do so by any method, including litigation and the completion of any
 471 appeals.
 472 b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the
 473 Company or with the Company's consent, until a court of competent jurisdiction makes a final,
 474 non-appealable determination adverse to the Title or to the lien of the Insured Mortgage.
 475 c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the
 476 Insured in settling any claim or suit without the prior written consent of the Company.
 477 d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under
 478 this policy is paid.
 479 e. The Company is not liable for the content of the Transaction Identification Data, if any.
 480

10. REDUCTION OR TERMINATION OF INSURANCE

- 481 a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce
 482 the Amount of Insurance by the amount of the payment. However, any payment made by the Company
 483 prior to the acquisition of the Title as provided in Condition 2 does not reduce the Amount of Insurance
 484 afforded under this policy, except to the extent that the payment reduces the Indebtedness.
 485 b. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the
 486 amount credited against the Indebtedness does not reduce the Amount of Insurance.
 487 c. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company,
 488 except as provided in Condition 2.
 489

11. PAYMENT OF LOSS

490 When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company
 491 will pay the loss or damage within 30 days.
 492

12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- 493 a. ***Company's Right to Recover***
 494 i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the
 495 rights and remedies of the Insured Claimant in the Title or Insured Mortgage and all other rights
 496 and remedies in respect to the claim that the Insured Claimant has against any person, entity,
 497 or property to the fullest extent permitted by law, but limited to the amount of any loss, costs,
 498 attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured
 499 Claimant must execute documents to transfer these rights and remedies to the Company. The
 500 Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured
 501 Claimant and to use the name of the Insured Claimant in any transaction or litigation involving
 502 these rights and remedies.
 503 ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the
 504 Company defers the exercise of its subrogation right until after the Insured Claimant fully
 505 recovers its loss.
 506 b. ***Company's Subrogation Rights against Obligors***
 507 The Company's subrogation right includes the Insured's rights against Obligors including the Insured's
 508 rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any
 509 provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid
 510 the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity, guaranty,
 511

512 warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this
 513 policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage
 514 Agency or Instrumentality.
 515 c. **Insured's Rights and Limitations**
 516 i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or
 517 guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from
 518 the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if the
 519 action does not affect the enforceability or priority of the lien of the Insured Mortgage.
 520 ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any claim
 521 adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the
 522 Company is required to pay only that part of the loss insured against by this policy that exceeds
 523 the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of
 524 the Company's subrogation right.

525 **13. POLICY ENTIRE CONTRACT**

526 a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract
 527 between the Insured and the Company. In interpreting any provision of this policy, this policy will be
 528 construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic
 529 means authorized by law.
 530 b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent
 531 any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term
 532 or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
 533 i. modify any prior endorsement,
 534 ii. extend the Date of Policy,
 535 iii. insure against loss or damage exceeding the Amount of Insurance, or
 536 iv. increase the Amount of Insurance.

537 **14. SEVERABILITY**

538 In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law,
 539 this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will
 540 remain in full force and effect.

541 **15. CHOICE OF LAW AND CHOICE OF FORUM**

542 a. **Choice of Law**
 543 The Company has underwritten the risks covered by this policy and determined the premium charged in
 544 reliance upon the law affecting interests in real property and the law applicable to the interpretation,
 545 rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.
 546 Any court or arbitrator must apply the law of the jurisdiction where the Land is located to determine the
 547 validity of claims against the Title or the lien of the Insured Mortgage and to interpret and enforce the
 548 terms of this policy. In neither case may the court or arbitrator apply conflicts of law principles to
 549 determine the applicable law.
 550 b. **Choice of Forum**
 551 Any litigation or other proceeding brought by the Insured against the Company must be filed only in a
 552 state or federal court within the United States of America or its territories having appropriate jurisdiction.

553 **16. NOTICES**

554 Any notice of claim and any other notice or statement in writing required to be given to the Company under this
 555 policy must be given to the Company at: _____ (fill in).

556 **17. CLASS ACTION**

557 ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE
 558 OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY
 559 PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION
 560 GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE
 561 AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING.

562 **18. ARBITRATION**

563 a. All claims and disputes arising out of or relating to this policy, including any service or other matter in
 564 connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising
 565 out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount
 566 of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the

- 567 election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000,
568 any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company
569 and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the
570 American Land Title Association (“ALTA Rules”). The ALTA Rules are available online at
571 www.alta.org/arbitrationhttp://www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate
572 to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American
573 Arbitration Association (“AAA Rules”). The AAA Rules are available online at
574 www.adr.orgC:\Users\alsmith\AppData\Roaming\Microsoft\Word\www.adr.org.
- 575 b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY
576 SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE
577 PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 18. The arbitrator does not have
578 authority to conduct any class action arbitration or arbitration involving joint or consolidated claims under
579 any circumstance.
- 580 c. **If there is a final judicial determination that a request for particular relief cannot be arbitrated in**
581 **accordance with this Condition 18, then only that request for particular relief may be brought in**
582 **court. All other requests for relief remain subject to this Condition 18.**
- 583 d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the
584 arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the
585 applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may
586 consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is
587 bound by rulings in prior arbitrations involving the same parties to the extent required by law. The
588 arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the
589 award is based. Judgment upon the award rendered by the arbitrator may be entered in any court of
590 competent jurisdiction.]

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592
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NOTE: Bracketed [] material optional

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
American Land Title Association Loan Policy Adopted 6-17-06	American Land Title Association Loan Policy Adopted 06-17-2006 Discussion Draft of Revisions 03-04-2020 Send Comments to forms@alta.org	These policies are referred to respectively as the 2006 ALTA Loan Policy and the 2020 ALTA Loan Policy. Reference to 2006 ALTA policies or 2020 ALTA policies refers to both Owner's and Loan Policies.
LOAN POLICY OF TITLE INSURANCE Issued By BLANK TITLE INSURANCE COMPANY	LOAN POLICY OF TITLE INSURANCE Issued By issued by BLANK TITLE INSURANCE COMPANY	
	This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.	ADDED COVERAGE. This clause is similar to ALTA 39[-06] (Policy Authentication), which agrees that the Company will not deny liability under the policy or any endorsements issued with the policy solely on the grounds that the policy or endorsements were issued electronically or lack signatures in accordance with the Conditions.
Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.	Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy policy must be given to the Company at the address shown in Section 17 of the Conditions Condition 16.	SAME. This clause is designed to help direct the Insured to the appropriate section (Condition 16 of the 2020 ALTA Loan Policy) so the Insured will know where to file a notice of claim or any other notice to be given to the insurer. By placing this clause on the face page of the policy it makes it easier for the Insured to know how to access policy benefits.
COVERED RISKS	COVERED RISKS	SAME. The term "Covered Risks" descriptively designates matters covered under the policy.
SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, BLANK TITLE INSURANCE COMPANY, a Blank corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:	SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, BLANK TITLE INSURANCE COMPANY Blank Title Insurance Company , a Blank corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:	SAME. The lead-in provisions are substantively the same. The preamble of the 2006 ALTA Loan Policy and the 2020 ALTA Loan Policy identifies the Covered Risks that provide post-policy coverage. These post-policy coverages are found in Covered Risks 11 (mechanics' liens and street improvement assessments), 13 (creditors' rights), and 14 (gap coverage).
1. Title being vested other than as stated in Schedule A.	1. The Title being vested other than as stated in Schedule A.	SAME. "Title" is defined in the Condition 1.r. of the 2020 ALTA Loan Policy to mean the estate or interest in the Land described in Item 2 of Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from	2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes , but is not limited to, insurance against loss from:	ADDED COVERAGE. The 2006 and 2020 ALTA Loan Policies provide a non-exhaustive list of coverages, but do not limit coverage to those items.
(a) A defect in the Title caused by	(a) A defect in the Title caused by:	SAME.
(i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;	(i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;	SAME.
(ii) failure of any person or Entity to have authorized a transfer or conveyance;	(ii) the failure of any a person or Entity to have authorized a transfer or conveyance;	SAME.
(iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;	(iii) a document affecting the Title not properly authorized , created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization) , or delivered;	IMPROVED COVERAGE. Covered Risk 2.a.iii. of the 2020 ALTA Loan Policy clarifies coverage by adding "authorized" and by including remote online notarization in the scope of notarization. Covered Risks 2.a.iii., 2.a.iv., and 2.a.vi. of the 2020 ALTA Loan Policy make it clear that certain aspects of electronic transactions are covered by the policy.
(iv) failure to perform those acts necessary to create a document by electronic means authorized by law;	(iv) a failure to perform those acts necessary to create a document by electronic means authorized by law;	SAME.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(v) a document executed under a falsified, expired, or otherwise invalid power of attorney;	(v) ₂ a document executed under a falsified, expired, or otherwise invalid power of attorney;	SAME.
(vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or	(vi) ₂ a document not properly filed, recorded, or indexed in the Public Records, including <u>the</u> failure to perform <u>have performed</u> those acts by electronic means authorized by law; or	SAME.
(vii) a defective judicial or administrative proceeding.	(vii) ₂ a defective judicial or administrative proceeding; <u>or</u> <u>viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.</u>	SAME. NEW COVERAGE. This coverage is similar to Covered Risk 2.a.iii. of the 2020 ALTA Loan Policy but also includes “repudiation” of an electronic signature.
(b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.	(b) ₂ The <u>the</u> lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.	SAME. The 2006 and 2020 ALTA policies insure that taxes and assessments are not due or payable, absent an explicit exception.
(c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term “encroachment” includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.	(c) ₂ Any encroachment, the effect on the Title of an encumbrance, violation, variation, or adverse circumstance affecting the Title that, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would be <u>have been</u> disclosed by an accurate and complete land <u>title</u> survey of the Land. The term “encroachment” includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.	SAME. Absent a survey or other relevant exception in Schedule B, the 2006 and 2020 ALTA policies include express survey coverage against encroachments of existing improvements onto adjoining Land and encroachments onto the Land of existing improvements located on adjoining land. The survey coverage against encroachments is not intended to be the sole coverage provided in Covered Risk 2.
3. Unmarketable Title.	3. Unmarketable Title.	SAME. The 2006 and 2020 ALTA Loan Policy definition of “Unmarketable Title” results in coverage when a purchaser, lessee, or lender, or purchaser from a lender is released from the obligation to purchase, lease, or lend due to a contractual condition requiring the delivery of marketable title.
4. No right of access to and from the Land.	4. No right of access to and from the Land.	SAME.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to	5. The <u>A</u> violation or enforcement of any <u>a</u> law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to , <u>but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:</u>	SAME. Several courts have taken the position that unless coverage appears in the insuring clauses (Covered Risks), coverage will not be found. Covered Risk 5 makes clear that coverage does exist under the circumstances. This coverage includes an Enforcement Notice of a violation of a permit. The 2020 ALTA policies include a new defined term “Enforcement Notice” and revise the defined term “Public Records.” The term “Public Records” does not include any record pertaining to environmental protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters unless the record is contained in an Enforcement Notice.
(a) the occupancy, use, or enjoyment of the Land;	(a) ₂ the occupancy, use, or enjoyment of the Land;	SAME.
(b) the character, dimensions, or location of any improvement erected on the Land;	(b) ₂ the character, dimensions, or location of any <u>an</u> improvement erected on the Land;	SAME.
(c) the subdivision of land; or	(c) ₂ the subdivision of land <u>the Land</u> ; or	SAME.
(d) environmental protection	(d) ₂ environmental <u>remediation or</u> protection <u>on the Land</u> .	SAME. Environmental protection includes environmental “remediation.”

ALTA LOAN POLICY COMPARISON CHART

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2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.	if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.	SAME. The term "Enforcement Notice" of the 2020 ALTA policies addresses the notice that is covered.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.	6. An enforcement action based on the exercise of a governmental forfeiture, police, regulatory, or national security power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice <u>described by the enforcing governmental authority in an Enforcement Notice.</u>	SAME. The 2020 ALTA policies include the added "forfeiture," "regulatory," and "national security" power in Covered Risk 6 and in Exclusion 1.b.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.	7. The <u>An</u> exercise of the power <u>rights</u> of eminent domain if, but only to the extent; <u>a.</u> a notice of the exercise, describing <u>described any part of the Land, is recorded in an Enforcement Notice</u> the Public Records; <u>or</u>	SAME. Several courts have taken the position that unless coverage appears in the insuring clauses (Covered Risks), coverage will not be found. Covered Risk 7 makes clear that coverage does exist under the circumstances. The 2020 ALTA policies include a new defined term "Enforcement Notice" and revise the defined term "Public Records."
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.	8. b. <u>Any</u> the taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge. <u>8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.</u>	SAME. NEW COVERAGE. The 2020 ALTA Loan Policy includes a new defined term "PACA-PSA Trust" and a new Exclusion: "7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8."
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage	9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk <u>9</u> includes, but is not limited to, insurance against loss from any of the following impairing the lien of the Insured Mortgage caused by;	SIMILAR. The 2006 and 2020 ALTA Loan Policies provide a non-exhaustive list of coverages but does not limit coverage to those listed items.
(a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;	(a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;	SAME.
(b) failure of any person or Entity to have authorized a transfer or conveyance;	(b) <u>the</u> failure of any a person or Entity to have authorized a transfer or conveyance;	SAME.
(c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;	(c) the Insured Mortgage not being properly <u>authorized</u> , created, executed, witnessed, sealed, acknowledged, notarized <u>(including by remote online notarization)</u> , or delivered;	IMPROVED COVERAGE. Covered Risk 9.c. of the 2020 ALTA Loan Policy clarifies coverage by adding "authorized" and by including remote online notarization in the scope of notarization. Covered Risks 9.c., 9.d., and 9.f. of the 2020 ALTA Loan Policy make it clear that certain aspects of electronic transactions are covered by the policy.
(d) failure to perform those acts necessary to create a document by electronic means authorized by law;	(d) <u>a</u> failure to perform those acts necessary to create a document <u>the Insured Mortgage</u> by electronic means authorized by law;	SAME.
(e) a document executed under a falsified, expired, or otherwise invalid power of attorney;	(e) a document <u>having been</u> executed under a falsified, expired, or otherwise invalid power of attorney;	SAME.
(f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or	(f) a document not <u>the Insured Mortgage not having been</u> properly filed, recorded, or indexed in the Public Records, including <u>the</u> failure to perform <u>have performed</u> those acts by electronic means authorized by law; or	SAME.
(g) a defective judicial or administrative proceeding.	(g) a defective judicial or administrative proceeding; <u>or</u>	SAME.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	h. invalidity or unenforceability of the lien of the Insured Mortgage as a result of the repudiation of an electronic signature by a person that executed the Insured Mortgage because the electronic signature on the Insured Mortgage was not valid under applicable electronic transactions law.	NEW COVERAGE. This coverage is similar to Covered Risk 9.c. of the 2020 ALTA Loan Policy but also includes “repudiation” of an electronic signature.
10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.	10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance on the Title as security for the following components of the Indebtedness:	ADDED COVERAGE. The 2020 ALTA Loan Policy expands the coverage to explicitly insure priority of the lien of the Insured Mortgage for the listed components of the Indebtedness, subject to the Exclusions and the Exceptions.
	a. the amount of the principal disbursed as of the Date of Policy;	ADDED COVERAGE.
	b. the interest on the obligation secured by the Insured Mortgage;	ADDED COVERAGE.
	c. the reasonable expense of foreclosure;	ADDED COVERAGE.
	d. amounts advanced for insurance premiums by the Insured before the acquisition of the estate or interest in the Title; and	ADDED COVERAGE.
	e. the following amounts advanced by the Insured before the acquisition of the estate or interest in the Title to protect the priority of the lien of the Insured Mortgage:	
	i. real estate taxes and assessments imposed by a governmental taxing authority; and	
	ii. regular, periodic assessments by a property owners' association.	
11. The lack of priority of the lien of the Insured Mortgage upon the Title	11. The lack of priority of the lien of the Insured Mortgage upon the Title;	SAME. Covered Risk 11.b. of the 2006 and 2020 ALTA Loan Policy includes coverage for street assessment liens that is essentially the same coverage provided by an ALTA 1[-06] (Street Assessments). Covered Risk 11.a.ii. of the 2006 and 2020 ALTA Loan Policy includes the word “continued.”
(a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either	(a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services <u>service</u> , labor, or material, or equipment arising from construction of an improvement or work related to the Land when the improvement or work is either ;	SAME. The 2020 ALTA Loan Policy clarifies coverage by adding “service” and “equipment,” which are words included in the mechanics’ lien coverage of the ALTA 32 Series (Construction Loan) endorsements.
(i) contracted for or commenced on or before Date of Policy; or	(i) contracted for or commenced on or before <u>the</u> Date of Policy; or	SAME.
(ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and	(ii) contracted for, commenced, or continued after <u>the</u> Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on <u>the</u> Date of Policy to advance; and	SAME.
(b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.	(b) over the lien of any assessments for street improvements under construction or completed at <u>the</u> Date of Policy.	SAME. This coverage also is provided by the ALTA 1[-06] (Street Assessments).
12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.	12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.	SAME.

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2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title	13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title, <u>or a court order providing an alternative remedy.</u>	ADDED COVERAGE. This creditors' rights coverage addresses and provides coverage relating to transactions occurring prior to the transaction creating the interest being insured. The 2020 ALTA Loan Policy clarifies the coverage by insuring against loss or damage by a court order providing an alternative remedy. Section 550(a) of the Bankruptcy Code authorizes an alternative remedy in allowing the bankruptcy trustee to "...recover, for the benefit of the estate, the property transferred, or, if the court so orders, the value of such property." The 2006 ALTA Loan Policy insured only against avoidance of the Title or an interest in the Land because of a court order providing an alternative remedy.
(a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or	(a) ₂ resulting from the avoidance, in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title <u>Title to the Land</u> or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or	IMPROVED COVERAGE. The 2020 ALTA policies expand coverage to include loss arising from a court order providing an alternative remedy and to insure with respect the Uniform Voidable Transactions Act.
	i. <u>a fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights law; or</u>	SAME. The Covered Risk for creditors' rights in the 2006 and 2020 ALTA policies applies to these laws.
	ii. <u>a voidable transfer under the Uniform Voidable Transactions Act; or</u>	IMPROVED COVERAGE. In 2014, the National Conference of Commissioners changed the Uniform Fraudulent Transfer Act to the Uniform Voidable Transactions Act and substituted "voidable transaction" for "fraudulent transfer." The 2020 ALTA policies provide this additional coverage in Covered Risk 13.
(b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records	(b) ₂ because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws <u>law</u> by reason of the failure of its recording in the Public Records;	SAME.
(i) to be timely, or	(i) ₂ to be <u>timely record the Insured Mortgage in the Public Records after execution and delivery of the Insured Mortgage to the Insured;</u> or	SAME. The 2020 ALTA policies clarify the commonly understood meaning of "failure of its recording ... to be timely".
(ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.	(ii) ₂ <u>of the recording of the Insured Mortgage in the Public Records</u> to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.	SAME.
14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.	14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to <u>the</u> Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.	SAME. Covered Risk 14 provides post-policy title insurance for the gap, if any, between the Date of Policy and the date the Insured Mortgage records in the Public Records.
	<u>DEFENSE OF COVERED CLAIMS</u>	SAME. This is a new heading, but the coverage remains the same.
The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.	The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy <u>policy</u> , but only to the extent provided in the Conditions.	SAME. The policy defense provision includes defense for any matter insured against, such as access; those matters covered by Covered Risks 5 and 6; and matters insured by endorsements (unless otherwise agreed).
[Witness clause optional]	[Witness clause optional]	SAME.

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2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
BLANK TITLE INSURANCE COMPANY BY: PRESIDENT BY: SECRETARY	BLANK TITLE INSURANCE COMPANY BY: <u>PRESIDENT</u> BY: <u>SECRETARY</u>	SAME.
EXCLUSIONS FROM COVERAGE	EXCLUSIONS FROM COVERAGE	SAME.
The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:	The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:	SAME.
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to	1. (a) <u>a</u> Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that <u>restrictsing, regulatessing, prohibitsing, or relatesing to;</u>	SAME.
(i) the occupancy, use, or enjoyment of the Land;	(i) <u>i</u> the occupancy, use, or enjoyment of the Land;	SAME.
(ii) the character, dimensions, or location of any improvement erected on the Land;	(ii) <u>ii</u> the character, dimensions, or location of any improvement erected on the Land;	SAME. Neither the 2006 nor the 2020 ALTA policies say "now or hereafter" and the 2020 ALTA policies delete "erected." Subsequent improvements would be post-policy matters.
(iii) the subdivision of land; or	(iii) <u>iii</u> the subdivision of land; or	SAME.
(iv) environmental protection;	(iv) <u>iv</u> environmental <u>remediation or</u> protection;	SAME. Environmental protection includes environmental "remediation."
or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.	or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.	SAME. Exclusion 1 in the 2020 ALTA policy states that the Exclusion does not modify the coverage provided in Covered Risks 5 and 6. Exclusions 1(a) and 1(b) in the 2006 ALTA policy also state that the Exclusions do not modify or limit the coverage provided in Covered Risks 5 and 6.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.	(b) <u>a</u> Any governmental <u>forfeiture, police, regulatory, or national security</u> power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.	SIMILAR. The 2020 ALTA Loan Policy adds "forfeiture," "regulatory," and "national security" power for clarification. Those terms were, in some respects, included within the scope of Exclusion 1(a) of the 2006 ALTA policy and as "police powers" within the scope of Exclusion 1(b) of the 2006 ALTA policy.
	<u>c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.</u>	SAME.
	<u>Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.</u>	SAME.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.	2. Rights <u>Any power</u> of eminent domain. This Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7- or 8.	SAME. Among the powers generally attributable to a sovereign are the eminent domain power, war power, taxation power, and, with respect to states, police power.
3. Defects, liens, encumbrances, adverse claims, or other matters	3. <u>Any d</u> Defects, liens, encumbrances, adverse claims, or other matters;	SAME. No changes made to Exclusions 3.a., 3.b., 3.c., and 3.d.
(a) created, suffered, assumed, or agreed to by the Insured Claimant;	(a) <u>a</u> created, suffered, assumed, or agreed to by the Insured Claimant;	SAME.
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;	(b) <u>b</u> not Known to the Company, not recorded in the Public Records at <u>the</u> Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;	SAME.
(c) resulting in no loss or damage to the Insured Claimant;	(c) <u>c</u> resulting in no loss or damage to the Insured Claimant;	SAME.

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(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or	(d) attaching or created subsequent to <u>the</u> Date of Policy (however, this Exclusion 3.d does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or	SAME. The 2006 and 2020 ALTA Loan Policy refer to Covered Risks 11 (Mechanics' Liens and Street Improvement Assessments), 13 (Creditors' Rights), and 14 (Gap Coverage) and acknowledge that the post-policy exclusion does not limit the coverage of those Covered Risks. The gap coverage insures with respect to certain matters arising after the Date of Policy.
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.	(e) resulting in loss or damage that would not have been sustained if <u>consideration sufficient to qualify</u> the Insured <u>Claimant named in Schedule A as a bona fide purchaser or encumbrancer</u> had <u>paid value been given</u> for the Insured Mortgage <u>at the Date of Policy</u> .	IMPROVED COVERAGE. The modified coverage matches what has recently been explained as the purpose of Exclusion 3.e.: to exclude matters based upon the failure of the insured to pay sufficient consideration in order to be a "bona fide purchaser" under the recording laws, as opposed, for example, to the effect of the failure to pay reasonably equivalent or fair market value.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.	4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws <u>law</u> of the state where the Land is situated <u>located</u> .	SAME. The language of the 2020 ALTA Loan Policy has been further simplified for easier reading.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.	5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law <u>law or Consumer Protection Law</u> .	SIMILAR. The 2020 ALTA Loan Policy includes a new defined term "Consumer Protection Law."
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is	6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws <u>law</u> , that the transaction creating the lien of the Insured Mortgage is <u>is</u> ;	SIMILAR. This creditors' rights exclusion excludes liability for a creditors' rights claim arising out of the transaction creating the lien of the Insured Mortgage while Covered Risk 13 covers creditors' rights claims by reason of previous transactions in the chain of title. The Exclusion in the 2020 ALTA policies includes two new matters: a clarification that the voidable preference is excluded if not given as a contemporaneous exchange for new value and additional reference to a voidable transaction under the Uniform Voidable Transactions Act.
(a) a fraudulent conveyance or fraudulent transfer, or	(a) a fraudulent conveyance or fraudulent transfer or ;	SAME.
	<u>b. a voidable transfer under the Uniform Voidable Transactions Act or</u>	SIMILAR. This addition is intended to modernize the ALTA 2020 policies by referring to the Uniform Voidable Transactions Act, which has been adopted in at least 19 states and is an amended version of the Uniform Fraudulent Transfer Act.
(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.	(b) <u>c.</u> a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy ;	SAME. The 2006 and 2020 ALTA policies generally exclude coverage relating to voidable transactions arising out of the current transactions. However, the 2006 and 2020 ALTA policies include Covered Risks as to prior transactions.
	<u>i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or</u>	SAME. The 2006 and 2020 ALTA Loan Policies exclude liability for a voidable preference claim arising out of the transaction creating the lien of the Insured Mortgage because the transfer was not a contemporaneous exchange for new value given to the debtor (regardless of the subsequent timing of recording).
	<u>ii. for any other reason not stated in Covered Risk 13.b.</u>	SAME. Exclusion 6.c.ii. of the 2020 ALTA Loan Policy is the same as Exclusion 6(b) of the 2006 ALTA Loan Policy.

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	7. <u>Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.</u>	NEW COVERAGE. Covered Risk 8 of the 2020 ALTA Loan Policy insures with respect to enforcement of a PACA-PSA Trust (as defined in the Conditions), but only to the extent of the enforcement described in an Enforcement Notice. The Perishable Agricultural Commodities Act (7 U.S.C. §§ 499a, et seq.) imposes a trust under 7 U.S.C. § 499e(c) for unpaid suppliers, sellers and agents of fresh fruits and fresh vegetables, The Packers and Stockyards Act (7 U.S.C. §§ 181, et seq.) establishes a similar trust on assets of packers to protect livestock producers.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).	7.8. Any lien on the Title for real estate taxes or assessments, imposed by <u>a</u> governmental authority and created or attaching between <u>the</u> Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion <u>8</u> does not modify or limit the coverage provided under Covered Risk <u>2.b. or 11.(b).</u>	SIMILAR. The 2006 and 2020 ALTA Loan Policy provide gap coverage (Covered Risk 14). Because of Exclusion 7 of the 2006 ALTA Loan Policy and the parameters of the gap coverage, the gap coverage does not include real estate taxes and assessments. The 2020 ALTA Loan Policy does not insure against taxes and assessments that become due and payable after the Date of Policy, whether before or after recording of the Insured Mortgage. Exclusion 8 does not affect the coverage of Covered Risk 2.b., which insures against real estate taxes and assessments due or payable, but unpaid.
	9. <u>Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.</u>	NEW EXCLUSION. Covered Risk 2.c. of the 2006 and 2020 ALTA policies do not insure the acreage or quantity of the Land or of any improvement.
	<u>[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:</u> <u>Issuing Agent:</u> <u>Issuing Office:</u> <u>Issuing Office's ALTA® Registry ID:</u> <u>Loan ID Number:</u> <u>Issuing Office File Number:</u> <u>Property Address:]</u>	NEW OPTIONAL PROVISION. A Transaction Identification Data header has been added to Schedule A to provide clarity and, again, make post-closing smoother and general inquiries easier to initiate. This informational header was added to the 2016 ALTA Commitment for Title Insurance and is now carried over to the policies. This information is intentionally set apart from the insured information in Schedule A so it's not an insured matter but serves as reference information to improve communication between the policy issuer and the lender or servicer to verify that the proper property, loan, and settlement location is being used on the file. This loan and property verification should make sale on the secondary market more efficient as well. This new header includes the ALTA Registry ID – the unique settlement agent identifier created and maintained by ALTA to provide lenders with a single source of truth for underwriter-confirmed title agents' contact information.
SCHEDULE A	SCHEDULE A	SAME.
Name and Address of Title Insurance Company: [File No.:] Policy No.: Loan No.: Address Reference: Amount of Insurance: \$ [Premium: \$] Date of Policy: [at a.m./p.m.]	Name and Address of Title Insurance Company: [File No.:] Policy <u>Number</u> No.: Loan No.: Address Reference: Amount of Insurance: \$ [Premium: \$] Date of Policy: [at a.m./p.m.]	SAME. The 2006 and 2020 ALTA policies state the name of the title insurer. This additional information facilitates client identification of the title insurer if the jacket is not attached.
1. Name of Insured:	1. Name of <u>The</u> Insured <u>is:</u>	SAME.
2. The estate or interest in the Land that is encumbered by the Insured Mortgage is:	2. The estate or interest in the Land that is encumbered by the Insured Mortgage is:	SAME.
3. Title is vested in:	3. <u>The Title encumbered by the Insured Mortgage</u> is vested in:	SAME.
4. The Insured Mortgage and its assignments, if any, are described as follows:	4. The Insured Mortgage and its assignments, if any, are described as follows:	SAME.
5. The Land referred to in this policy is described as follows:	5. The Land referred to in this policy is described as follows:	SAME. Since Land is a defined term, the additional wording was unnecessary.

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<p>[6. This policy incorporates by reference those ALTA endorsements selected below:</p> <p>4-06 (Condominium)</p> <p>4.1-06 (Planned Unit Development)</p> <p>5-06 (Variable Rate)</p> <p>6-06 (Variable Rate--Negative Amortization)</p> <p>8.1-06 (Environmental Protection Lien) Paragraph b refers to the following state statute(s):</p> <p>9-06 (Restrictions, Encroachments, Minerals)</p> <p>13.1-06 (Leasehold Loan)</p> <p>14-06 (Future Advance-Priority)</p> <p>14.1-06 (Future Advance-Knowledge)</p> <p>14.3-06 (Future Advance-Reverse Mortgage)</p> <p>22-06 (Location) The type of improvement is a _____, and the street address is as shown above.]</p>	<p>[6. This policy incorporates by reference those ALTA the endorsements designatedselected below, <u>adopted by the [American Land Title Association][_____] as of the Date of Policy:</u></p> <p>4-06 (Condominium)</p> <p>4.1-06 (Planned Unit Development)</p> <p>5-06 (Variable Rate)</p> <p>6-06 (Variable Rate--Negative Amortization)</p> <p>8.1-06 (Environmental Protection Lien) Paragraph b refers to the following state statute(s):</p> <p>9-06 (Restrictions, Encroachments, Minerals)</p> <p>13.1-06 (Leasehold Loan)</p> <p>14-06 (Future Advance-Priority)</p> <p>14.1-06 (Future Advance-Knowledge)</p> <p>14.3-06 (Future Advance-Reverse Mortgage)</p> <p>22-06 (Location) The type of improvement is a _____, and the street address is as shown above.]</p>	<p>NEW OPTIONAL PROVISION.</p> <p>The 2020 ALTA policies allow reference to adopted ALTA endorsements. Reference can also be made to other available endorsements. Unlike the 2006 ALTA Loan Policy, there is no specific list of optional endorsements in the 2020 ALTA policies that do not require the addition of substantial transaction specific information. This format is similar to the ALTA Short Form Loan Policy.</p>
SCHEDULE B	SCHEDULE B	SIMILAR.
[File No. _____] Policy No. _____	[File No. _____] Policy <u>Number</u> No.: _____	SIMILAR.
EXCEPTIONS FROM COVERAGE	EXCEPTIONS FROM COVERAGE	SIMILAR.
	<u>This policy does not republish any covenant, condition, restriction, or limitation contained in any document referred to in this policy to the extent that the specific covenant, condition, restriction, or limitation violates local, state, or federal discrimination law, including laws based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, national origin, or other legally protected class.</u>	<p>NEW PROVISION.</p> <p>Typically, a similar reference is made in an exception to restrictions that may contain unenforceable discriminatory provisions. This provision would apply to all restrictions.</p>
	<u>[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:</u>	<p>SIMILAR.</p> <p>This provision excepts to the terms of leases and easements identified in Schedule A.</p>
	<u>[Insert Schedule B exceptions here]</u>	<p>SIMILAR.</p> <p>Although the ALTA has adopted optional standard exceptions, there are no standard exceptions incorporated in the 2006 ALTA policies or the 2020 ALTA policies.</p>
[Except as provided in Schedule B - Part II,] t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:	[Except as provided in Schedule B - Part II,] t[or T]his <u>This</u> policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of <u>resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:</u>	<p>SIMILAR.</p> <p>This provision excepts to the terms of leases and easements identified in Schedule A.</p>
[PART I	[PART I	SAME.
	<u>[Insert Schedule B exceptions here]</u>	<p>SIMILAR.</p> <p>Although the ALTA has adopted optional standard exceptions, there are no standard exceptions incorporated in the 2006 ALTA policies or the 2020 ALTA policies.</p>

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PART II	PART II	SAME.
In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]	In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company Covered Risk 10 insures against loss or damage sustained in the event that they are not subordinate to by the Insured by reason of the lack of priority of the lien of the Insured Mortgage over the matters listed in Part II, subject to the terms and conditions of any subordination provision in a matter listed in Part II:]	SIMILAR. Schedule B—Part II of the 2020 ALTA Loan Policy excepts to the terms of any subordination agreement identified below.
CONDITIONS	CONDITIONS	DIFFERENT COVERAGE. There are a number of differences in the Conditions of the 2006 and 2020 ALTA policies.
1. DEFINITION OF TERMS	1. DEFINITION OF TERMS	
The following terms when used in this policy mean:	The following terms when used in this policy mean:	
	<u>a. "Affiliate": An Entity:</u>	SIMILAR. Although the 2006 ALTA policies did not contain this definition, the definition in the 2020 ALTA policies has not changed the scope of coverage.
	<u>i. that is wholly-owned by the Insured;</u>	
	<u>ii. that wholly-owns the Insured; or</u>	
	<u>iii. if that Entity and the Insured are both wholly-owned by the same person or Entity.</u>	
(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b) or decreased by Section 10 of these Conditions.	(a)b. "Amount of Insurance": The amount Amount of Insurance stated in Schedule A, as may be increased or by Condition 8.c.; decreased by endorsement to this policy, Condition 10; or increased by Section 8(b) or decreased by Section 10 of these Conditions endorsements to this policy.	SIMILAR. The 2020 ALTA policies refer to endorsements, which may modify the Amount of Insurance.
	<u>c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.</u>	NEW COVERAGE. The definition in the 2020 ALTA Loan Policy replaces the terms "consumer credit protection laws and truth in lending laws" used in Exclusion 5 of the 2006 ALTA Loan Policy.
(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.	(b)d. "Date of Policy": The date designated as "Date of Policy" stated in Schedule A.	SIMILAR.
	<u>e. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:</u>	SIMILAR. This is a new definition in the 2020 ALTA policies. "Enforcement Notice" is used in Covered Risks 5, 6, 7.a., and 8 of the 2020 ALTA policies and in the definition of Public Records of the 2020 ALTA policies.
	<u>i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;</u>	
	<u>ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or</u>	
	<u>iii. asserts a right to enforce a PACA-PSA Trust.</u>	
(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.	(e)f. "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity <u>authorized by law to own title to real property in the jurisdiction where the Land is located.</u>	SIMILAR. The term "Entity" is used primarily in the definition of the Insured.
	<u>g. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.</u>	NEW COVERAGE. The new definition in the 2020 ALTA Loan Policy does not impact coverage. The term is used in the definition of the Insured and of the Obligor.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(d) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of	(e)h. "Indebtedness": The <u>Any</u> obligation secured by the Insured Mortgage, including one <u>an obligation</u> evidenced by electronic means authorized by law, and if, if that obligation is the payment of a debt, the Indebtedness is the sum of: <u>i. the sum of:</u>	IMPROVED COVERAGE.
(i) the amount of the principal disbursed as of Date of Policy;	(i1) the amount of the principal disbursed as of the Date of Policy;	SAME.
(ii) the amount of the principal disbursed subsequent to Date of Policy;	(ii2) the amount of the principal disbursed subsequent to the Date of Policy;	SAME.
(iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;	(iii3) the construction loan advances made subsequent to the Date of Policy for the purpose of financing, in whole or in part, the construction of an improvement to the Land or related to the Land that the Insured was and continued <u>continues</u> to be obligated to advance at the Date of Policy and at the date of the advance;	SAME.
(iv) interest on the loan;	(iv4) interest on the loan;	SAME.
(v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;	(v5) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;	SAME.
(vi) the expenses of foreclosure and any other costs of enforcement;	(vi6) the expenses of foreclosure and any other costs of enforcement;	SAME.
	<u>(7) advances for insurance premiums;</u>	
(vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;	(vii8) the amounts advanced <u>advances</u> to assure compliance with laws or to protect the validity, enforceability, lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to: <u>(a) real estate taxes and assessments imposed by a governmental taxing authority, and</u> <u>(b) regular, periodic assessments by a property owners' association; and</u>	SIMILAR.
(viii) the amounts to pay taxes and insurance; and	(viii) the amounts to pay taxes and insurance; and	SIMILAR. Only advances before acquisition of the Title by the Insured will be components of the Indebtedness under the 2020 ALTA Loan Policy.
(ix) the reasonable amounts expended to prevent deterioration of improvements;	(ix9) the reasonable amounts <u>expended advances</u> to prevent deterioration of improvements; before the Insured's acquisition of the Title, but	SIMILAR. Only advances before acquisition of the Title by the Insured will be components of the Indebtedness under the 2020 ALTA Loan Policy.
but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.	<u>ii.</u> but the Indebtedness is reduced by the total <u>sum</u> of all payments and by any amount <u>amounts</u> forgiven by an Insured.	SIMILAR.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(e) "Insured": The Insured named in Schedule A.	(e) <u>(1)</u> "Insured": <u>i. (1) The Insured named in Item 1 of Schedule A or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either;</u>	IMPROVED COVERAGE. SIMILAR. This additional language in the 2020 ALTA Loan Policy does not alter the coverage that was provided in the 2006 ALTA Loan Policy, but does clarify that the Insured is a person that holds the Title after acquiring the Indebtedness, regardless of the means of acquisition.
(i) The term "Insured" also includes	(i) The term "Insured" also includes	
(A) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions;	(a) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions; <u>or</u>	
	<u>(b) owns the Title after acquiring the Indebtedness;</u>	
(B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;	(B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;	SAME.
(C) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;	(C) successors <u>the successor to the Title of an Insured by resulting from</u> dissolution, merger, consolidation, distribution, or reorganization;	SIMILAR. This additional language in the 2020 ALTA Loan Policy does not alter the coverage that was provided in the 2006 ALTA Loan Policy, but does clarify that the Insured is a person that holds the Title as a successor.
(D) successors to an Insured by its conversion to another kind of Entity;	(D) successors <u>the successor to the Title of an Insured by resulting from</u> its conversion to another kind of Entity;	SIMILAR. This additional language in the 2020 ALTA Loan Policy does not alter the coverage that was provided in the 2006 ALTA Loan Policy, but does clarify that the Insured is a person that holds the Title as a successor.
(E) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title	(E) a <u>the grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying or other instrument transferring the Title, if the grantee is an Affiliate;</u>	INCREASED COVERAGE. The 2020 ALTA policies no longer condition the application of the definition of the Insured on a deed to an affiliate "delivered without payment of actual valuable consideration."
(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,	(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,	SIMILAR. The definition of Affiliate in the 2020 ALTA policies incorporates this provision.
(2) if the grantee wholly owns the named Insured, or	(2) if the grantee wholly owns the named Insured, or	SIMILAR. The definition of Affiliate in the 2020 ALTA policies incorporates this provision.
(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity;	(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity;	SIMILAR. The definition of Affiliate in the 2020 ALTA policies incorporates this provision.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	(6) an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of the Insured Mortgage; or	INCREASED COVERAGE. The 2020 ALTA Loan Policy includes an Affiliate that acquires the Title regardless of whether the Affiliate owned or held the Indebtedness.
(F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;	(F)(7) any Government Mortgage Agency or Instrumentality, government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;	SIMILAR. The 2020 ALTA Loan Policy defines "Government Mortgage Agency or Instrumentality."
(ii) With regard to (A), (B), (C), (D), and (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.	(ii) With regard to (A), (B), (C), (D), (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.	SIMILAR. The protection afforded a purchaser for value without Knowledge should apply only to Conditions 1.i.i.(1) and 1.i.i.(2) of the 2020 ALTA Loan Policy so that the change has no substantive effect.
	iii. With regard to Conditions 1.i.i.(3), 1.i.i.(4), 1.i.i.(5), and 1.i.i.(6), the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.	SIMILAR. The persons named in these subsections will remain subject to defenses that apply to the predecessor Insured under the 2020 ALTA Loan Policy.
(f) "Insured Claimant": An Insured claiming loss or damage.	(f) "Insured Claimant": An Insured claiming loss or damage arising under this policy.	SAME.
(g) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A.	(g) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A.	SAME.
(h) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.	(h) "Knowledge" or "Known": Actual knowledge, or actual notice, but not constructive knowledge or notice that may be imputed to an Insured, imparted by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.	SIMILAR. There are different views on whether actual knowledge is the same as or includes actual notice, which is expressly included in the definition of "Knowledge" of the 2020 ALTA policies.
(i) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.	(i) "Land": The land described in Item 5 of Schedule A, and affixed improvements located on that land at the Date of Policy that by law constitute real property. The term "Land" does not include any property beyond the lines of the area that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting streets, roads, avenues, alleys, lanes, right-of-ways, body of water, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.	SAME.
(j) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.	(j) "Mortgage": Mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.	SAME.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	<u>o.</u> “Obligor”: A person or Entity that is or becomes a maker, borrower, or guarantor as to all or part of the indebtedness or other obligation secured by the Insured Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.	NEW COVERAGE. The term “Obligor” is used primarily in Condition 12 of the 2020 ALTA Loan Policy, but Condition 12 of the 2006 and 2020 ALTA Loan Policy remain substantively the same.
	<u>p.</u> “PACA-PSA Trust”: A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar state or federal law.	NEW COVERAGE. The term “PACA-PSA Trust” is used in Covered Risk 8 and in the Exclusions of the 2020 ALTA policies.
(k) “Public Records”: Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), “Public Records” shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.	(k)q. <u>q.</u> “Public Records”: Records The recording or filing system established under state statutes in effect at the Date of Policy for the purpose of imparting under which a document must be recorded or filed to impart constructive notice of matters relating to real property the Title to purchasers a purchaser for value and without Knowledge. With respect to Covered Risk 5(d), The term “Public Records” shall also does not include any other recording or filing system, including any pertaining to environmental protection liens filed in the records of, planning, permitting, zoning, licensing, building, health, public safety, or national security matters the clerk of the United States District Court for the district where the Land is located.	SIMILAR. The 2020 ALTA policies modify the definition of Public Records to distinguish those records that are Public Records for purposes of title insurance policies and other governmental records that have not intended to be, and are generally not construed as, within the scope of Public Records for limited purposes in title insurance policies.
(l) “Title”: The estate or interest described in Schedule A.	(l)r. <u>r.</u> “Title”: The estate or interest <u>in the Land described identified in Item 2 of</u> Schedule A.	SAME.
(m) “Unmarketable Title”: Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.	(m)s. <u>s.</u> “Unmarketable Title”: <u>The</u> Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title of a lender on the Title, or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.	SAME. The 2020 ALTA policies have made no changes to the definition of “Unmarketable Title.”
2. CONTINUATION OF INSURANCE	2. CONTINUATION OF <u>INSURANCE</u>COVERAGE	SAME.
The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.	The coverage of this <u>This</u> policy shall continue <u>in force</u> as of <u>the</u> Date of Policy in favor of an Insured;	
	<u>a.</u> after <u>the Insured's</u> acquisition of the Title by an Insured or, so long as the Insured retains an estate or interest in the Land; and	
	<u>b.</u> after <u>the Insured's</u> conveyance <u>of the Title</u> by an Insured, but only so long as the Insured;	
	<u>i.</u> retains an estate or interest in the Land; or	
	<u>ii.</u> holds owns an obligation secured by a purchase money <u>m</u> Mortgage given by a purchaser from the Insured; or	
<u>iii.</u> only so long as the Insured shall have <u>has</u> liability by reason of <u>or</u> warranties <u>given by the Insured</u> in any transfer or conveyance of the <u>Insured's</u> Title.		

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	<u>Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title.</u> This policy shall <u>does</u> not continue in force or effect in favor of any purchaser from person or Entity that is not the Insured of either (i) an estate or interest in the Land, and acquires the Title or (ii) an obligation secured by a purchase money m Mortgage given to the Insured.	
3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT	3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT	SIMILAR.
The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title or the lien of the Insured Mortgage, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.	The Insured shall <u>must</u> notify the Company promptly in writing <u>if the Insured has Knowledge of:</u>	
	a. (i) in case of any litigation or other matters set forth in Section 5(a) of these Conditions;	
	(ii) in case Knowledge shall come to an Insured of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of under this policy; or	
	b. (iii) any rejection of if the Title or the lien of the Insured Mortgage, as insured, is rejected as Unmarketable Title.	
	If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the this policy shall be <u>is</u> reduced to the extent of the prejudice.	
4. PROOF OF LOSS	4. PROOF OF LOSS	DIFFERENT COVERAGE.
In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.	In the event the Company is unable to determine the amount of loss or damage, the <u>The</u> Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, <u>adverse claim,</u> or other matter insured against by this policy, that constitutes the basis of loss or damage and shall <u>must</u> state, to the extent possible, the basis of calculating the amount of the loss or damage.	DIFFERENT COVERAGE. The 2020 ALTA policies do not condition the right of the Company to require a signed proof on its inability to determine the amount of loss or damage.
5. DEFENSE AND PROSECUTION OF ACTIONS	5. DEFENSE AND PROSECUTION OF ACTIONS	SAME.
(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.	(a). Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions <u>Condition 7,</u> the Company, at its own cost and without unreasonable delay, shall <u>will</u> provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have <u>has</u> the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated <u>covered</u> causes of action. It shall <u>The Company is</u> not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of these causes <u>any cause</u> of action that allege <u>alleges</u> matters not insured against by this policy.	

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.	(b) The Company shall have <u>has</u> the right, in addition to the options contained in Section 7 of these Conditions <u>Condition 7</u> , at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be <u>is</u> liable to the Insured. The <u>Company's</u> exercise of these rights shall <u>is</u> not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection , <u>Condition 5.b.</u> , it must do so diligently.	SAME. Both the 2006 ALTA policies and the 2020 ALTA policies require the Company to exercise its rights diligently.
(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.	(c) Whenever <u>When</u> the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly . <u>The Company</u> reserves the right, in its sole discretion, to appeal any adverse judgment or order.	
6. DUTY OF INSURED CLAIMANT TO COOPERATE	6. DUTY OF INSURED CLAIMANT TO COOPERATE	SIMILAR.
(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.	(a) In all cases where <u>When</u> this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall <u>will</u> secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.	
Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter as insured.	Whenever <u>When</u> requested by the Company, the Insured, at the Company's expense, shall <u>must</u> give the Company all reasonable aid <u>in</u> :	
	(i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and	
	(ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter, as insured.	
If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.	If the Company is prejudiced by the <u>any</u> failure of the Insured to furnish the required cooperation, the Company's <u>liability and</u> obligations to the Insured under the <u>this</u> policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to <u>regarding</u> the matter or matters requiring such cooperation.	

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
<p>(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.</p>	<p>(b)₂ The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after <u>the</u> Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall<u>must</u> grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these<u>the</u> records in the custody or control of a third party that reasonably pertain to the loss or damage. All<u>No</u> information designated <u>in writing</u> as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not<u>Condition 6 will be later</u> disclosed to others unless, in the reasonable judgment of the Company, it<u>disclosure</u> is necessary in the administration of the claim <u>or required by law</u>. Any failure<u>Failure</u> of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection<u>Condition 6.b.</u>, unless prohibited by law or governmental regulation, shall terminate<u>terminates</u> any liability of the Company under this policy as to that claim.</p>	<p>SIMILAR. The 2020 ALTA policies recognize that the Company may disclose confidential records if required by law.</p>
<p>7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY</p>	<p>7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY</p>	<p>SAME. The changes made in Condition 7 of the 2020 ALTA policies were non-substantive revisions.</p>
<p>In case of a claim under this policy, the Company shall have the following additional options:</p>	<p>In case of a claim under this policy, the Company shall have<u>has</u> the following additional options:</p>	
<p>(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.</p>	<p>(a)₂ <i>To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.</i></p>	
<p>(i) To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or</p>	<p>(i)₂ To pay or tender payment of the Amount of Insurance under this policy together with <u>In addition, the Company will pay</u> any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or</p>	
<p>(ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.</p>	<p>(ii)₂ To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with <u>In addition, the Company will pay</u> any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.</p>	

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.	When If the Company purchases the Indebtedness, the Insured shall <u>must</u> transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.	
Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.	Upon the exercise by the Company of either of the options option provided for in subsections (a)(i) or (ii) <u>Condition 7.a.</u> , all the Company's liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.	
(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.	(b) <u>2</u> To Pay or Otherwise Settle With Parties o <u>Other Than the Insured or</u> With the Insured Claimant .	
(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or	(i) <u>2</u> To pay or otherwise settle with other parties other than the Insured for or in the name of an <u>the</u> Insured Claimant any claim insured against under this policy . In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or	
(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.	(ii) <u>2</u> To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with <u>In addition, the Company will pay</u> any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.	
Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.	Upon the exercise by the Company of either of the options option provided for in <u>Condition 7.b.</u> subsections (b)(i) or (ii) , the Company's <u>liability and</u> obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.	
8. DETERMINATION AND EXTENT OF LIABILITY	8. <u>CONTRACT OF INDEMNITY;</u> DETERMINATION AND EXTENT OF LIABILITY	SIGNIFICANT CHANGES AND IMPROVED COVERAGE.
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.	This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the an Insured Claimant who has suffered <u>the</u> loss or damage by reason of matters insured against by this policy. <u>This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.</u>	SIMILAR. Condition 8 clarifies that the policy is a contract of indemnity; the 2020 ALTA policies further state that the policies are not abstracts of title, reports, legal opinions, opinions of title, or other representations of title.
(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of	(a) <u>2</u> The extent of liability of the Company for loss or damage under this policy shall <u>does</u> not exceed the least of;	SAME.
(i) the Amount of Insurance,	(i) <u>2</u> the Amount of Insurance ; <u>2</u>	SAME. The "Amount of Insurance" is a defined term and can fluctuate.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(ii) the Indebtedness,	(ii) the Indebtedness;	SAME. The "Indebtedness" is a defined term.
(iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy, or	(iii) the difference between the <u>fair market</u> value of the Title, as insured, and the <u>fair market</u> value of the Title subject to the <u>risk matter</u> insured against by this policy; or	SAME.
(iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.	(iv) if a <u>Government Mortgage Agency or Instrumentality</u> government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage <u>or</u> in satisfaction of its insurance contract or guaranty <u>relating to the Title or the Insured Mortgage</u> .	SAME. The term "Government Mortgage Agency or Instrumentality" is defined in the 2020 ALTA Loan Policy.
	<u>b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:</u>	IMPROVED COVERAGE. The 2020 ALTA Loan Policy provides a procedure for the Insured to select the date for determining the amount of loss; previously the policy did not address this issue unless the Company was unsuccessful in establishing the Title.
	<u>i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or</u>	
	<u>ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.</u>	
(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,	(b)c. If the Company pursues its rights under Section 5 of these Conditions <u>Condition 5.b.</u> and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured;	
(i) the Amount of Insurance shall be increased by 10%, and	(i) the Amount of Insurance shall <u>will</u> be increased by 10% <u>15%</u> and	IMPROVED COVERAGE. The 2006 ALTA Loan Policy provides that the Amount of Insurance will be increased by 10% if the Company is unsuccessful in establishing the Title as insured. The 2020 ALTA Loan Policy provides that the Amount of Insurance will be increased by 15% if the Company is unsuccessful in establishing the Title as insured.
(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.	(ii) the Insured Claimant <u>may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.</u> shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.	IMPROVED COVERAGE. New Condition 8.b. provides additional choices for the Insured to choose the date for determining the amount of the loss or damage, and revised Condition 8.c.ii. establishes a third alternative date as of the date the settlement, action, proceeding, or other act is concluded.
(c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.	(c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.	SAME. Condition 2 of the 2020 ALTA policies addresses continuation of coverage.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
(d) In addition to the extent of liability under (a), (b), and (c), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.	(d) In addition to the extent of liability <u>for loss or damage</u> under (a), (b), and (c) <u>Conditions 8.a. and 8.c.</u> , the Company will also pay those <u>the</u> costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions <u>Conditions 5 and 7.</u>	SAME.
9. LIMITATION OF LIABILITY	9. LIMITATION OF LIABILITY	SAME. These sections are substantively the same, minor changes have been made in the 2020 ALTA policies for easier readability.
(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, or establishes the lien of the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.	(a) If the <u>The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:</u>	SAME. The Company may cure the matter and thereby satisfy all of its obligations. The 2020 ALTA policies substitute the requirement that the Company performs its obligations in a "reasonable manner" instead of a reasonably diligent manner.
	i. establishes the Title, or removes the alleged defect, lien, or encumbrance, <u>adverse claim, or other matter;</u> or	
	ii. cures the lack of a right of access to <u>or</u> and from the Land; or	
	iii. cures the claim of Unmarketable Title; <u>or</u>	
	iv. establishes the lien of the Insured Mortgage,	
all as insured, in a reasonably diligent manner. The Company may do so by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.		
(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Insured Mortgage, as insured.	(b) In the event <u>The Company is not liable for loss or damage arising out</u> of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, <u>makes a final, non-appealable determination</u> adverse to the Title or to the lien of the Insured Mortgage, as insured.	SAME. The Company generally is not liable for loss relating to litigation until it has exhausted appeals. If the Company successfully litigates, it has no further liability.
(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.	(c) The Company shall <u>is</u> not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.	SAME. The policy provides that the Company controls the settlement of a claim or a suit relating to a covered matter. If the Insured voluntarily settles a matter, without consent of the Company, there may be no liability under the policy.
	d. <u>An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.</u>	SIMILAR. It is comparable to the definition of the Insured.
	e. <u>The Company is not liable for the content of the Transaction Identification Data, if any.</u>	NEW COVERAGE. The Transaction Identification Data is transaction information that is not insured.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY	10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY <u>INSURANCE</u>	INCREASED COVERAGE.
(a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.	(a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made <u>by the Company</u> prior to the acquisition of <u>the Title</u> as provided in <u>Section 2 of these Conditions</u> <u>Condition 2</u> shall <u>does</u> not reduce the Amount of Insurance afforded under this policy, except to the extent that the payments reduces <u>reduces</u> the Indebtedness.	SAME. Payments under the 2006 or 2020 ALTA Loan Policy reduce the Amount of Insurance, except payments made for costs, attorneys' fees, and expenses and payments made prior to acquisition of Title unless the payments reduce the Indebtedness.
	<u>b. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Amount of Insurance.</u>	INCREASED COVERAGE. The 2020 ALTA Loan Policy acknowledges that the amount credited against the Indebtedness as a result of a foreclosure or deed in lieu of foreclosure does not reduce the Amount of Insurance.
(b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.	(b) c. The voluntary satisfaction or release of the Insured Mortgage shall terminate <u>terminates</u> all liability of the Company, except as provided in <u>Section 2 of these Conditions</u> <u>Condition 2</u> .	SAME. The policy provides that the Company controls the settlement of a claim or a suit relating to a covered matter. If the Insured voluntarily settles a matter, without consent of the Company, there may be no liability under the policy.
11. PAYMENT OF LOSS	11. PAYMENT OF LOSS	SAME.
When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.	When liability and the extent of loss or damage have been definitely fixed <u>are determined</u> in accordance with these <u>the</u> Conditions, the payment shall be made <u>Company will pay the loss or damage</u> within 30 days.	SAME. The 2006 and 2020 ALTA policies do not require production of the policy if a claim is made.
12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT	12. <u>COMPANY'S RIGHTS OF RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT</u> OR SETTLEMENT	SIMILAR.
(a) The Company's Right to Recover	(a) The Company's Right to Recover	
Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.	<u>i. Whenever</u> if the Company shall have settled <u>settles</u> and paid <u>pays</u> a claim under this policy, it shall be <u>is</u> subrogated and entitled to the rights <u>and remedies</u> of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, <u>entity</u> , or property, to the <u>fullest extent of permitted by law, but limited to</u> the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall <u>must</u> execute documents to evidence the transfer to the Company of these rights and remedies: <u>to the Company</u> . The Insured Claimant shall <u>permit</u> <u>permits</u> the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.	SAME. The Insured must cooperate in transferring rights to which the title insurer is subrogated. Subrogation is not conditioned on execution by the Insured of an assignment.
If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.	<u>ii.</u> If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer <u>defers</u> the exercise of its <u>subrogation</u> right to recover until after the Insured Claimant shall have recovered <u>fully recovers</u> its loss.	SAME. The 2006 and 2020 ALTA Loan Policy provide that the title insurer's subrogation rights are deferred until the Insured fully recovers its loss.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	<u>b.</u> Company's Subrogation Rights against Obligors	SIMILAR.
	<u>The Company's subrogation right includes the Insured's rights against Obligors including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity, guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.</u>	SIMILAR. Condition 12.b. of the 2020 ALTA Loan Policy is substantially the same as Condition 12(c) of the 2006 ALTA Loan Policy. The 2006 and 2020 ALTA Loan Policy provide that the insurer may recover against non-insured obligors, such as mortgage insurers, guarantors, and borrowers.
(b) The Insured's Rights and Limitations	(b)c. The Insured's Rights and Limitations	SIMILAR.
(i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.	(i). The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Insured Mortgage.	SAME. The Insured is given broad flexibility in the 2006 and 2020 ALTA Loan Policy to modify the Insured Mortgage and loan documents, so long as it does not affect the enforceability or priority of the lien of the Insured Mortgage.
(ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.	(ii). If the Insured exercises a right provided in <u>Condition 12.c.i.</u> (b)(i). , but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses <u>the loss</u> insured against by this policy that shall exceed <u>exceeds</u> the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation <u>right</u> .	SAME. The Insured is given broad flexibility under the 2006 and 2020 ALTA Loan Policy in modifying the Insured Mortgage and loan documents, so long as it does not affect the enforceability or priority of the lien of the Insured Mortgage.
(c) The Company's Rights Against Noninsured Obligors	(c) The Company's Rights Against Noninsured Obligors	SIMILAR.
The Company's right of subrogation includes the Insured's rights against non-insured obligors including the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights. The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(e)(i)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.	The Company's right of subrogation includes the Insured's rights against non-insured obligors including the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights. The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(e)(i)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.	SIMILAR. Condition 12.b. of the 2020 ALTA Loan Policy is substantially the same as Condition 12(c) of the 2006 ALTA Loan Policy. The 2006 and 2020 ALTA Loan Policy provide that the insurer may recover against non-insured obligors, such as mortgage insurers, guarantors, and borrowers.
13. ARBITRATION	13. ARBITRATION	

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
<p>Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“Rules”). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.</p>	<p>Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“Rules”). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.</p>	<p>SAME. Condition 18 of the 2020 ALTA Loan Policy is an optional provision that a title insurer may include in the policy where allowed by applicable law. In some states, the section must be deleted or modified in order to secure approval for filing of the policy. Both the 2006 and 2020 ALTA policies provide mandatory or binding arbitration at the election of either the Company or the Insured if the Amount of Insurance does not exceed \$2,000,000. However, if the Amount of Insurance exceeds \$2,000,000, then a claim or dispute may be submitted to binding arbitration only if agreed to by both the Insured and the Company. The governing rules in the 2020 ALTA policies are the Title Insurance Arbitration Rules of the ALTA (most recently revised 08-01-2017), which incorporate the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association. Claims and disputes must be brought in an individual capacity and may not be brought as a class action under the 2020 ALTA policies. The 2006 ALTA policy Arbitration Condition also makes it clear that, except as provided in the Rules, there can be no joinder or consolidation with claims or controversies of other parties.</p>
<p>14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT</p>	<p>14.13. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT</p>	<p>SAME. Condition 13 in the 2020 ALTA Loan Policy is substantially the same as Condition 14 in the 2006 ALTA Loan Policy.</p>
<p>(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.</p>	<p>(a) This policy together with all endorsements, if any, attached to it issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall will be construed as a whole. <u>This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.</u></p>	<p>SAME. The provisions of Condition 13.a. and 13.b. of the 2020 ALTA Loan Policy are similar to Conditions 14(a), 14(b), and 14(c) in the 2006 ALTA Loan Policy. Condition 13.a. also states that the policy and any endorsement may be evidenced by electronic means. Various other provisions such as the introductory paragraph of the 2020 ALTA policies recognize that the policy and endorsement may be issued electronically.</p>
<p>(b) Any claim of loss or damage that arises out of the status of the Title or lien of the Insured Mortgage or by any action asserting such claim shall be restricted to this policy.</p>	<p>(b) Any claim of loss or damage that arises out of the status of the Title or lien of the Insured Mortgage or by any action asserting such claim shall be restricted to this policy.</p>	<p>SAME. The 2006 ALTA policies waive liability for negligence to the extent allowed by law and restrict any claim to the policy. Condition 8 of the 2020 ALTA policies waives liability for negligence and negligent misrepresentation and states that the policies ae not abstracts of title, reports, legal opinions, opinions of title, or other representation of title.</p>
<p>(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.</p>	<p>(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.</p>	<p>SAME. The 2020 ALTA policies authorize any policy or endorsement to be issued electronically.</p>
<p>(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not</p>	<p>(d) <u>Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls.</u> Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Unless <u>Except as the endorsement expressly states, it does not.</u></p>	<p>SAME. The endorsement serves as an amendment to the policy, regardless of whether the endorsement refers to the terms of the policy. Any endorsement is subject to the terms of the policy, except as it expressly provides otherwise, and is subject to the Exclusions, Conditions, and Exceptions.</p>
<p>(i) modify any of the terms and provisions of the policy,</p>	<p>(i) modify any of the terms and provisions of the policy.</p>	
<p>(ii) modify any prior endorsement,</p>	<p>(ii) <u>modify any prior endorsement,</u></p>	
<p>(iii) extend the Date of Policy, or</p>	<p>(iii) <u>extend the Date of Policy, or</u></p>	
	<p><u>iii. insure against loss or damage exceeding the Amount of Insurance, or</u></p>	
<p>(iv) increase the Amount of Insurance.</p>	<p>(iv) <u>increase the Amount of Insurance.</u></p>	

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
15. SEVERABILITY	15.14 SEVERABILITY	SAME.
In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.	In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the <u>this</u> policy shall <u>will</u> be deemed not to include that provision or such <u>the</u> part held to be invalid, but all other provisions shall <u>will</u> remain in full force and effect.	SAME. Condition 14 of the 2020 ALTA Loan Policy is substantively the same as Condition 15 of the 2006 ALTA Loan Policy. Each policy makes it clear that the severability provision applies even in situations where only part of a provision of the policy has been declared invalid or unenforceable.
16. CHOICE OF LAW; FORUM	16.15 CHOICE OF LAW; AND CHOICE OF FORUM	SAME.
(a) Choice of Law:	(a) Choice of Law:	SAME.
The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.	The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and <u>the law</u> applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.	SAME. Condition 16(a) of the 2006 ALTA Loan Policy and Condition 15.a of the 2020 ALTA Loan Policy clearly provide the law of the state of the jurisdiction of the Land governs the interpretation, rights, remedies, or enforcement of the policy. This provision is necessary because of increased multi-state and cross-border transactions.
Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.	Therefore, the <u>Any</u> court or an arbitrator shall <u>must</u> apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall <u>may</u> the court or arbitrator apply its conflicts of law principles to determine the applicable law.	
(b) Choice of Forum:	(b) Choice of Forum:	SAME.
Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.	Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.	SAME. Given the ever-widening locations and domiciles of parties and transactions, it is viewed as appropriate to state that proceedings must occur in the United States.
17. NOTICES, WHERE SENT	17.16 NOTICES, WHERE SENT	SAME.
Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at [fill in].	Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: <u> (fill in) </u> .	SAME. Each policy provides that any notice of a claim or other notice or statement in writing required to be given to the Company must be given to the Company as stated.
	<u>17. CLASS ACTION</u>	SIMILAR.
	<u>ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING.</u>	SIMILAR. Claims and disputes must be brought in an individual capacity and may not be brought as a class action under the 2020 ALTA policies, as provided in this Condition and in the Arbitration provision. The 2006 ALTA policy Arbitration section also makes it clear that, except as provided in the Rules, there can be no joinder or consolidation with claims or controversies of other parties.
	<u>18. ARBITRATION</u>	SIMILAR.

ALTA LOAN POLICY COMPARISON CHART

This comparison chart is intended as a guide to identifying differences between the 2020 and 2006 ALTA policies. It should not be relied upon for the interpretation of these policies.

2006 ALTA LOAN POLICY	2020 ALTA LOAN POLICY—DISCUSSION DRAFT #4 (DISCUSSION DRAFT OF REVISIONS 03-04-2020) COMPARISON	COMMENTS
	<p><u>a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.</u></p>	<p>SIMILAR. Condition 18 of the 2020 ALTA Loan Policy is an optional provision that a title insurer may include in the policy where allowed by applicable law. In some states, the section must be deleted or modified in order to secure approval for filing of the policy. Both the 2006 and 2020 ALTA policies provide mandatory or binding arbitration at the election of either the Company or the Insured if the Amount of Insurance does not exceed \$2,000,000. However, if the Amount of Insurance exceeds \$2,000,000, then a claim or dispute may be submitted to binding arbitration only if agreed to by both the Insured and the Company. The governing rules in the 2020 ALTA policies are the Title Insurance Arbitration Rules of the ALTA (most recently revised 08-01-2017), which incorporate the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association. Claims and disputes must be brought in an individual capacity and may not be brought as a class action under the 2020 ALTA policies. The 2006 ALTA policy Arbitration section also makes it clear that, except as provided in the Rules, there can be no joinder or consolidation with claims or controversies of other parties.</p>
	<p><u>b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 18. The arbitrator does not have authority to conduct any class action arbitration or arbitration involving joint or consolidated claims under any circumstance.</u></p>	
	<p><u>c. If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 18, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 18.</u></p>	
	<p><u>d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.]</u></p>	
<p>NOTE: Bracketed [] material optional</p>	<p>NOTE: Bracketed [] material optional</p>	
<p>Copyright 2006-2009 American Land Title Association. All rights reserved. The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.</p>	<p>Copyright 2006-2009 2020 American Land Title Association. All rights reserved. The use of this Form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association. <u>This form has not been adopted as an ALTA standard Form</u></p>	<p>SIMILAR.</p>

16th Annual Harold I. Levine Real Estate Institute

THIRD TOPIC

Underwriter Roundtable: Advanced Issues

November 5, 2020



Greg Miely
ATG Senior Managing
Attorney - Underwriting
Corporate Counsel



Lowell Krahn
ATG Senior Underwriting
Attorney



Alisa Swerdlove
ATG Underwriting
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Underwriter Roundtable: Advanced Issues

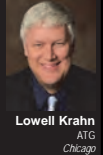
November 5, 2020

Presented by:

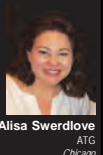
- **Greg Miely**
Senior Managing Attorney – Underwriting and Corporate Counsel
Attorneys' Title Guaranty Fund, Inc.
- **Lowell Krahn**
Senior Underwriting Attorney
Attorneys' Title Guaranty Fund, Inc.
- **Alisa Swerdlove**
Underwriting Attorney
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Decedents



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Death of the Titleholder

- At the time of the titleholder's death, title vests in the heirs and devisees of the decedent, subject to the power of sale of the personal representative, if, and when, appointed.
- If a probate was opened under independent administration, the personal representative has the statutory power to sell the property.



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Death of the Titleholder

- If a probate estate has not been opened, all heirs and devisees must execute the deed.



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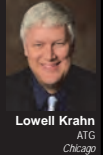
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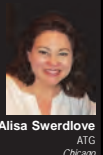
Probate



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Probate

- **Probate Act of 1975**
 - 755 ILCS 5/*et seq.*



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Probate

■ Advantages include:

- a 6-month Statute of Limitations on claims against the estate/decedent;
- an Executor deeds out, so only that person need sign the deed;
- all proceeds go to the Executor for disbursement; and
- no need to file guardianship proceedings when dealing with heirs that are minors or incompetent adults.



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Probate

■ Disadvantages

- It can be expensive.
- Must go to Probate Court and that takes time.
- Probate may not be necessary if all heirs agree to sell the property.



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Probate

- Filing a will does not give effect to the will.
- In order to give full effect to the will, the will must be probated.
- Probate means you go to the Probate Court and open a proceeding.



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Probate

- In that probate proceeding the Executor is appointed and Letters of Office are issued.
- Letters of Office are required to clear the Schedule B Estate exceptions on the commitment.



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Probate

- Independent Executors or Independent Administrators do not need a court order to sell the property.
- An Executor/Administrator cannot assign their authority to an agent.
- Proceeds must go back to the Executor/Administrator of the estate.



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Probate

- Devisees/Legatees who are bequeathed the property must consent in writing to the sale of the property by the Personal Representative. 755 ILCS 5/28-8(i).



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Probate

- A Notice of Probate/Release of Estate's Interest can be recorded if the Personal Representative is not selling the property.
- The Notice of Probate/Release of Estate's Interest in the chain of title is a vesting document.



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Probate

- Once Probate is closed, anyone with an interest in the real estate may record a Notice of Probate/Release of Estate's Interest, which will direct a title examiner to the Probate Case.



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Probate

- 1099

- You need an EIN if you administer an estate formed as a result of a person's death.
- If you must file a tax return for the Estate, the Estate must have its own taxpayer ID number (EIN).



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Bond in Lieu of Probate



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Bond in Lieu of Probate

Advantages

- No need to go to Probate Court so you can deed out immediately.
- Might be less expensive than going to Court.



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Bond in Lieu of Probate

Disadvantages:

- Claims period is two years.
- All heirs and devisees must co-operate.
- Heirs must pay any claims against the Estate.
- You cannot do a bond in lieu if there are:
 - missing or estranged heirs;
 - heirs who are minors;
 - disabled adult heirs; or
 - uncooperative heirs.



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Bond in Lieu of Probate

- **Procedure**
 - Affidavit of Heirship
 - Bond in Lieu Personal Undertaking
 - A bond may be held.



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Bond in Lieu of Probate

- **Affidavit of Heirship must include:**
 - statement that the decedent owned the property;
 - marital status of the decedent;
 - any children born or adopted to the decedent;
 - list of all heirs.
 - Pursuant to 755 ILCS 5/2-1(h), there is no distinction between the whole and the half blood.



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Bond in Lieu of Probate

- **Bond in Lieu Personal Undertaking**

- Signed by all heirs and devisees under the will to insure over the decedent estate exceptions on title to pay any claims.



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Bond in Lieu of Probate

- **The bond held is a high-risk premium.**

- **Amount of the Bond Held**

- Less than 1 year ago:
 - 2% of the purchase price;
- Less than 2 years but more than one year ago:
 - 1% of the purchase price;
- The amount held is negotiable.



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Bond in Lieu of Probate

- When a will isn't probated, all heirs and devisees must sign the deed, personal undertaking, and a pay proceeds letter.
- All other documents can be signed using a POA.



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Bond in Lieu of Probate

- When heirs are deeding to a new buyer:
 - Improper language in the Grantor statement:
 - *Estate of Sam Seller conveys and warrants to Bob and Betty Buyer*
 - Estates cannot be Grantors!
 - Review Grantor/Grantee language carefully as it may **not** be the same as the vesting on the commitment.
 - Proper language in the Grantor statement:
 - *Sean Seller, sole heir of Sam Seller, deceased*



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Other Considerations

- Titleholders who own property as tenants by the entirety, then divorce, now hold the property as tenants in common unless the Divorce Decree explicitly states they hold it as joint tenants.
- Should an ex-spouse die before sale, his/her share of the proceeds will go to his/her heirs.



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Bond in Lieu of Probate

- Multiple Deceased Heirs
 - You take each decedent individually.
 - Joint Tenant Decedent
 - A Joint Tenancy Affidavit must be recorded with a copy of the death certificate.
 - Decedent Heirs
 - Look to descent and distribution rules.



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Transfer on Death Instrument

(TODI)

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Transfer on Death Instrument (TODI)

- **755 ILCS 27 et seq.**
- **A hybrid of a will and a deed.**
 - Grantor must know the nature of his bounty.
 - Must be of sound mind and memory.
 - Two witnesses are required.
 - Must acknowledge grantor signed as free and voluntary act and that at the time of execution the grantor was of sound mind and memory.

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Transfer on Death Instrument (TODI)

- **Must be recorded before death.**
 - There is no requirement of notice, delivery, acceptance, or delivery is required.
- **TODI is revocable.**
 - If the titleholder(s) deed to a third party, the TODI is revoked.
- **Beneficiary may record a Notice of Death.**
 - 755 ILCD 27/75



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Guardianship



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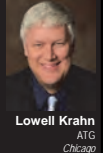


Guardianship

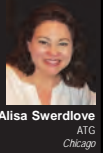
- **Guardianship of Adults**
 - 755 ILCS XIa *et seq.*
- **Guardianship of Minors**
 - 755 ILCS 5/XI *et seq.*



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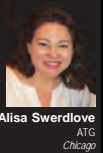
- **For both minor estates and disabled persons, always examine the estate proceedings to determine the following:**
 - a proper petition was filed;
 - all necessary parties were properly named and served or have submitted to the court's jurisdiction; and
 - orders were entered appointing the guardian and ordering the sale of the real estate.



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Guardianship

■ Disabled Adults

- Article XIa of the Probate Code (755 ILCS 5/11a-1 *et seq.*) governs disabled persons' estates.
- A petition must be filed seeking an adjudication of the person's disability and appointing a guardian.
- Court may appoint:
 - plenary guardian; or
 - limited guardian.



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Guardianship

■ Disabled Adults

- Guardianship of a Disabled Adult/Minor
 - A Court Order is required to purchase, sell or mortgage/refinance property.
 - Proper grantor language:
 - *Wilma Flintstone as Guardian for the Estate of Fred Flintstone, a disabled adult.*
 - *Betty Rubble as Guardian for Bam Bam Rubble, a minor.*



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Guardianship

■ Disabled Adults

– Exceptions for Schedule B

- If the title examination or other evidence discloses that a guardian has been appointed for the titleholder who has been adjudicated a disabled person, raise the following exceptions on the title commitment:

1. *Proceeding pending in the Circuit Court of * County entitled Estate of *, a disabled adult, under Case No. *.*
2. *Statutory right, powers, and duties of the guardian of the Estate of *, a disabled adult.*



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Guardianship

■ Disabled Adults

– Exceptions for Schedule B

- If the title examination or other evidence discloses that a guardian has been appointed for the titleholder who has been adjudicated a disabled person, raise the following exceptions on the title commitment:

3. *Any conveyance of the land must be made by the guardian of the Estate of *, pursuant to a proper order entered in Case No. *, and such conveyance should recite that the same is executed pursuant to a proper order entered in Case No. * ordering the conveyance and should recite therein the full consideration for which it is given. In addition, the guardian should file the bond required by ¶12-9 of the Probate Act.*



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Guardianship

■ Minors

– Minors' Estates

- Governed by Article XI of the Probate Act, 755 ILCS 5/11-1 *et seq.*
- Minor:
 - Anyone who is under 18 years of age.
- A minor needs a guardian in order to sell real estate.
- As with other estates, the proceeding is initiated with the filing of a petition.
- Under 755 ILCS 5/11-13, a court may authorize a guardian to execute and deliver deeds, bills of sale, or other instruments.



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Guardianship

■ Minors

– Exceptions for Schedule B

- If the title examination or other evidence discloses that a guardian has been appointed for the minor, raise the following exceptions on the title commitment:
 1. *Proceeding pending in the Circuit Court of * County entitled Estate of *, a minor, under Case No. *.*
 2. *Statutory right, powers, and duties of the guardian of the Estate of *, a minor.*



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Guardianship

▪ Minors

- Exceptions for Schedule B.
 - If the title examination or other evidence discloses that a guardian has been appointed for the minor, raise the following exceptions on the title commitment:
 3. *Any conveyance of the land must be made by the guardian of the Estate of *, a Minor, pursuant to a proper order entered in Case No. *. Such conveyance should recite that the same is executed pursuant to a proper order entered in Case No. * ordering the conveyance and should recite therein the full consideration for which it is given. In addition, the guardian must file the bond required by Section 12-9 of the Probate Act.*



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Mortgage Foreclosure



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■ Insuring Title After Foreclosure

- If the title search reveals a Notice of Foreclosure, raise the following Schedule B exception:

*Proceedings pending in the Circuit Court of * County, Illinois, captioned * v. *, Case No. *, as evidenced by the Notice of Foreclosure dated *, and recorded *, as document *.*

Note: No examination of these proceedings has been made, and this commitment, and any policies committed for thereunder, are subject to such further and additional exceptions as may be deemed necessary.



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■ Insuring Title After Foreclosure

- In any title search in which title is derived through a court proceeding, the main concern is that the court have proper jurisdiction of all persons having a title interest in the property.
- Therefore, the search and examination must include all persons/entities whose interests appear of record, and all judgment and lien holders of the current and past titleholders, including the foreclosed mortgagor.
- Do not rely on jurisdictional statements contained in the judgment of foreclosure and sale. Jurisdiction must be evident from the court record itself.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

– Parties:

- Necessary Parties (735 ILCS 5/15-1501(a)):
 - 1) the mortgagor;
 - 2) other persons (but not guarantors) who owe payment of the indebtedness; or
 - 3) other persons who owe performance of the other obligations under the mortgage and against whom personal liability is sought.



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■ Insuring Title After Foreclosure

– Parties:

- Permissible Parties (735 ILCS 5/15-1501(b)):
 - Anyone with an interest in the property who is not a necessary party, including, but not limited to:
 - 1) all persons with a possessory interest;
 - 2) a mortgagor's spouse who has waived homestead;
 - 3) a trustee or a beneficiary of the trust;
 - 4) the holder of a note secured by a trust deed;
 - 5) guarantors;



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■ Insuring Title After Foreclosure

- Parties:
 - Permissible Parties (735 ILCS 5/15-1501(b)):
 - Anyone with an interest in the property who is not a necessary party, including, but not limited to:
 - 6) the State of Illinois;
 - 7) the United States;
 - 8) an assignee of an assignment of rents;
 - 9) a mechanics' lien claimant.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Parties:
 - The Mortgagee
 - The plaintiff mortgagee must be the owner of the indebtedness and the mortgage at the time that the complaint for foreclosure is filed.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

– Parties:

■ Deceased Mortgagors

- In *ABN AMRO Mortgage Group, Inc. v McGahan*, 237 Ill. 2d 526 (2010), the court held that foreclosure proceedings are quasi-in rem actions. Therefore, if a mortgagor/necessary party is deceased, either the personal representative of the probated estate, if there is one, otherwise, a special representative under 735 ILCS 5/13-209 must be substituted as a party for the deceased mortgagor.



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■ Insuring Title After Foreclosure

– Parties:

■ Deceased Mortgagors

- Due to confusion caused by the death of only one of the joint tenant or tenant by the entireties mortgagors, Section 15-1501 (735 ILCS 5/15-1501(h)) was amended to provide that no special representative is necessary if there is a surviving joint tenant or tenant by the entirety that is a party to the proceeding.



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■ Insuring Title After Foreclosure

- Parties:
 - Deceased Mortgagors
 - Public Act 99-24, effective January 1, 2016, adds the following additional persons/entities for which a special representative need not be appointed:
 - beneficiary under a transfer on death instrument;
 - person or entity that was conveyed title to the property by the deceased mortgagor prior to death;
 - person or entity that was conveyed title to the property under the administration of the deceased's estate; or
 - trust that was conveyed title to the property.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Parties:
 - Unknown Owners (735 ILCS 5/2-413) and Non-record Claimants (735 ILCS 5/15-1502)
 - **Unknown Owners**
 - Persons who may have an interest in the property, but who identity is unknown.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

– Parties:

- Unknown Owners (735 ILCS 5/2-413) and Non-record Claimants (735 ILCS 5/15-1502)

– Unknown Heirs

- Persons who have an interest in the property who may be deceased. Requires an affidavit that upon diligent inquiry it cannot be ascertained if the person is deceased and further stating that the persons who would be his or her heirs are unknown.



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■ Insuring Title After Foreclosure

– Parties:

- Unknown Owners (735 ILCS 5/2-413) and Non-record Claimants (735 ILCS 5/15-1502)

– Non-Record Claimants

- persons whose interest does not appear in the public record (e.g., unrecorded mechanics' lien claims and unrecorded installment contracts).



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■ Insuring Title After Foreclosure

– Parties:

- Unknown Owners (735 ILCS 5/2-413) and Non-record Claimants (735 ILCS 5/15-1502)

– Non-Record Claimants

- Requires an affidavit containing either (1) the names and present or last known residences of non-record claimants, or (2) that the existence of such persons, or their names and residences are unknown.
- Notice is served by publication under 735 ILCS 5/2-206 and 2-207.



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■ Insuring Title After Foreclosure

- Ideally, jurisdiction is obtained by service of process on the defendant by a sheriff or court-approved special process server.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Service on Individuals (735 ILCS 5/2-203)
 - Personal Service
 - by leaving a copy of summons personally with defendant.
 - Abode Service or in Lieu of Personal Service
 - by leaving a copy at the defendant's usual place of abode, with some person of the family, 13 years of age or older, and informing that person of the contents, and, sending a copy in a sealed envelope postage prepaid, addressed to the defendant at his/her usual place of abode.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Service on Private Corporation (735 ILCS 5/2-204)
 - By leaving a copy with registered agent or any officer or agent of the corporation found anywhere within the state, or
 - In any manner now or hereafter permitted by law.
 - Abode service on the registered agent or corporate officer is most likely insufficient.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Service on State of Illinois in Mortgage Foreclosure action (735 ILCS 5/15-1501(g))
 - Send a copy of the Summons and Complaint to the Attorney General by registered or certified mail.
 - The Complaint must set forth the nature of the state's interest or lien.
 - If the state's interest is a record interest:
 - the Complaint must state Document Number of the Recorded instrument; and
 - the Complaint must state the Recorder's office where it is recorded.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Service on United States
 - Serve a copy of process with copy of Complaint upon the U.S. Attorney for the district in which the action is brought or upon an Assistant U.S. Attorney or clerical employee designated by the U.S. Attorney; and
 - send copies of the process and Complaint to the U.S. Attorney General at Washington, D.C. by certified or registered mail.



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■ Insuring Title After Foreclosure

- Service on United States
 - The Complaint must set forth the nature of the interest in the U.S.
 - In actions involving IRS Liens, the Complaint must include name and address of the taxpayer.
 - If notice of the Tax Lien was filed, the Complaint must show the identity of the IRS office that filed the notice and the date and place such notice of Lien was filed.
 - The U.S. has 60 days to answer.
 - The U.S. also has a 120-day right of redemption after the judicial sale.



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■ Insuring Title After Foreclosure

- Service by Publication
 - An affidavit must be filed with clerk, showing:
 - that the defendant resides within the state; or
 - that the defendant has gone out of this state; or
 - on due inquiry, the defendant cannot be found; or
 - the defendant is concealed within this state so that process cannot be served upon him/her.



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■ Insuring Title After Foreclosure

- Service by Publication
 - An affidavit must be filed with clerk, stating:
 - the place of residence of the defendant, if known; or
 - that upon diligent inquiry, the defendant's place of residence cannot be ascertained; and
 - notice is published in a county newspaper.
 - A copy of the Notice is mailed to the defendant at his last known address as determined from the affidavit.



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■ Insuring Title After Foreclosure

- Service by Publication
 - The publication shall contain:
 - notice of the pendency of the action;
 - the title of the court;
 - the title of the case;
 - the names of the first named plaintiff and the first named defendant;
 - the number of the case;
 - the names of the parties to be served by publication; and
 - the date on or after which default may be entered against such party.



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■ Insuring Title After Foreclosure

- Service by Publication
 - The clerk shall also, within 10 days of the first publication of the notice, send a copy of the published notice by mail, addressed to each defendant whose place of residence is stated in such affidavit.
 - The certificate of the clerk that he or she has sent the copy in pursuance of this Section is evidence that he or she has done so.



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■ Insuring Title After Foreclosure

- Service Gone Wrong
 - Service of process by an unlicensed private detective agency was defective, even though the individual employees who served the summonses were licensed private detectives. *West Suburban Bank v. Advantage Financial Partners, LLC*, 2014 IL App (2d) 131146.



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■ Insuring Title After Foreclosure

- Service Gone Wrong
 - For service by publication, the process server must show diligent inquiry was made to locate and serve process before requesting service by publication. Service was attempted during traditional working hours and during Memorial weekend, and very little was done to ascertain whether the defendant's premises was reasonably certain to be vacant. *JPMorgan Chase Bank, Nat. Ass'n v. Ivanov*, 2014 IL App (1st) 133533.



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■ Insuring Title After Foreclosure

- Service Gone Wrong
 - A 50-day delay between mortgagee's execution of an affidavit for publication and the filing of its motion to allow service by publication renders the ensuing publication insufficient to confer personal jurisdiction over the mortgagor. *Bank of New York Mellon v. Karbowski*, 2014 IL App (1st) 130112.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Notice of Foreclosure (735 ILCS 5/15-1503)
 - The Notice must contain:
 - names of plaintiffs;
 - case number and the court in which action was brought;
 - names of titleholders of record;
 - the legal description of the property being foreclosed and the common address;
 - a description of the mortgage being foreclosed.



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■ Insuring Title After Foreclosure

- Notice of Foreclosure (735 ILCS 5/15-1503)
 - The Notice has the same effect as a *lis pendens* notice under 735 ILCS 5/2-1901, i.e., anyone acquiring an interest in the property after the recording of the Notice takes that interest subject to the proceedings as though made a party thereto.



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Mortgage Foreclosure

■ Insuring Title After Foreclosure

- Notice of Foreclosure (735 ILCS 5/15-1503)
 - Some interests are not subject to the lis pendens doctrine and will not be foreclosed by the proceedings:
 - real estate taxes;
 - building code violations; and
 - demolition liens.



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■ Insuring Title After Foreclosure

- Judicial Sale (735 ILCS 5/15-1507)
 - Notice of the sale must contain the following information:
 - the name, address and telephone number of the person to contact for information regarding the real estate;
 - the common address and other common description (other than legal description), if any, of the real estate;
 - a legal description of the real estate sufficient to identify it with reasonable certainty;
 - a description of the improvements on the real estate;



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■ Insuring Title After Foreclosure

- Judicial Sale (735 ILCS 5/15-1507)
 - Notice of the sale must contain the following information:
 - the times specified in the judgment, if any, when the real estate may be inspected prior to sale;
 - the time and place of the sale;
 - the terms of the sale;
 - the case title, case number and the court in which the foreclosure was filed;



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■ Insuring Title After Foreclosure

- Judicial Sale (735 ILCS 5/15-1507)
 - Notice of the sale must contain the following information:
 - in the case of a condominium unit to which subsection (g) of Section 9 of the Condominium Property Act applies, the statement required by subdivision (g)(5) of Section 9 of the Condominium Property Act;
 - in the case of a unit of a common interest community to which subsection (g-1) of Section 18.5 of the Condominium Property Act applies, the statement required by subdivision (g-1) of Section 18.5 of the Condominium Property Act; and
 - such other information ordered by the Court.



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- Judicial Sale (735 ILCS 5/15-1507)
 - Notice of the sale must be published once per week for three consecutive weeks not more than 45 days and not less than seven days before the sale.
 - The notice must be published in the legal notices section of a newspaper of general circulation and also in the real estate section of such a newspaper. In counties other than those with populations in excess of 3,000,000, both notices may be placed in the same newspaper
 - Notice must also be mailed to all parties who have not previously been held in default.



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- Judicial Sale (735 ILCS 5/15-1507)
 - A certificate of sale will be issued to the successful bidder at the judicial sale upon payment of the full amount bid. That certificate may be assigned to another entity by endorsement on the certificate.



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- Confirmation of Sale (735 ILCS 5/15-1508)
 - The judicial sales officer must report the sale to the court.
 - The court, upon motion and notice, will conduct a hearing to confirm the sale. The court must confirm the sale unless it finds that (1) a required notice of sale was not given; (2) the terms of the sale were unconscionable; (3) the sale was conducted fraudulently; or (4) justice was not done.



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■ Insuring Title After Foreclosure

- Deed (735 ILCS 5/15-1509)
 - Upon confirmation of the sale, the judicial sales officer, upon request of the holder of the certificate of sale, shall issue a deed to the holder.
 - Upon issuance of the deed, title passes to the grantee and all claims of the parties to the foreclosure and all non-record claimants are barred.



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■ Insuring Title After Foreclosure

- Deed in Lieu of Foreclosure (735 ILCS 5/15-1401)
 - The mortgagor and mortgagee may agree to terminate the mortgagor's interest in the property by the issuance of a deed in lieu of foreclosure.
 - Acceptance of the deed by the mortgagee relieves from liability all persons who payment or other performance, unless such persons agree in a separate written instrument to remain liable.



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■ Insuring Title After Foreclosure

- Deed in Lieu of Foreclosure (735 ILCS 5/15-1401)
 - Acceptance of the deed by the mortgagee does not cause a merger of the mortgagee's interest as mortgagee and mortgagor's interest as grantee. Thus, the mortgage remains a lien on the property, allowing the mortgagee to proceed to foreclosure other junior interests. If the mortgagee resells the property, a release of the mortgage must be recorded.



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■ Insuring Title After Foreclosure

- Consent Foreclosure (735 ILCS 5/15-1402)
 - The foreclosure court may enter a judgment vesting title in the mortgagee at any time before sale of the property if:
 - the mortgagee agrees to waive all rights to a personal deficiency judgment against the mortgagor and all persons liable for the debt;
 - the offer of a consent judgment is made in the foreclosure complaint or by motion after notice to all parties;
 - all mortgagors consent to the entry of the judgment; and
 - no other party objects to the entry of the judgment.



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■ Insuring Title After Foreclosure

- Consent Foreclosure (735 ILCS 5/15-1402)
 - If any party, other than the mortgagor, objects to the consent judgment, upon a hearing, if there is good cause, the judgment will not be entered, otherwise, the objecting party must redeem the property, or the consent judgment will be entered.



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Mortgage Foreclosure

- **Insuring Title After Foreclosure**

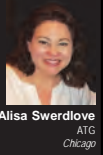
- Common Law Strict Foreclosure (735 ILCS 5/15-1403)
 - Alternatively to the foregoing methods, the mortgagee may proceed to foreclose using the common law strict foreclosure method.



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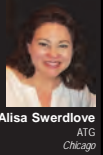
Trusts



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Trusts

- A trust has no power to grant or accept property.
- A trustee must deed out as Grantor and accept property as Grantee.



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Trusts

- **Trustee's Deed**
 - Similar to a deed in trust, the trustee must deed out, not the trust itself.
 - Grantor statement at the beginning of the deed must list the name of the trustee followed by the trust information.
 - This same grantor language should also appear in the signature block.



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Trusts

▪ Deed in Trust

- *Barney Rubble conveys and warrants to The Fred Flintstone Irrevocable Trust under Trust Agreement Dated May 2, 2019.*
 - This is an invalid conveyance. A trust never holds title by itself. The trustee is required.
- *Wilma Flintstone conveys and warrants to Betty Rubble, as Trustee of The Betty Rubble Family Trust dated May 2, 2019.*
 - This is a valid Grantee because it is conveyed to the trustee under the trust.



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Trusts

- **Trustee's powers are limited to those prescribed in the Illinois Trust Code 760 ILCS 3/et seq. and those dictated in the trust agreement.**
- **ATG can accept a Certification of Trust executed by the trustee pursuant to 760 ILCS 3/1013, instead of reviewing the trust itself.**



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Trusts

- A trustee cannot delegate his fiduciary duties unless the power to do so is specifically stated in the Trust agreement.
- This means that a trustee cannot use a POA unless the trust specifically states that the trustee may appoint an agent and assign them discretionary duties.



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Trusts

- ATG prefers to pay proceeds to the Trustee of the Trust because the Trustee must make distributions and owes an accounting to the beneficiaries.



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Trusts

- Pursuant to 760 ILCS 3/704, a vacancy in Trusteeship can be filled by:
 - a person designated in the trust agreement;
 - a person appointed by the majority of beneficiaries who are distributes;
 - a person appointed as trustee by the Court.



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Trusts

- When the original settlor/trustee is incapacitated, the procedure for removal must be followed strictly before a new trustee can be appointed.



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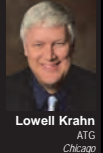
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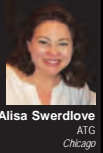
Mixed Use Properties



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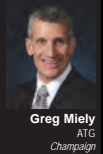
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Mixed Use Properties

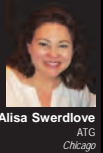
- **Mixed use properties are those that have both commercial and residential spaces in the same building.**
 - Bottom unit is a store front.
 - Upper levels are residential apartments.



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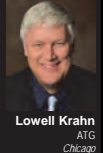
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Mixed Use Buildings

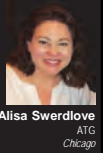
- **Condo Buildings with Commercial Spaces**
 - Commercial spaces require a survey and are measured from the inside of the unit.
 - Measurement should match the Condominium plat.
 - Paid Assessment Letter.



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Mixed Use Buildings

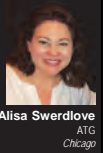
- **Chicago Mixed Use Buildings Require:**
 - Water Certification;
 - Zoning Certification if there are 5 units or less.



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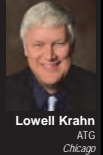
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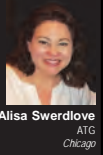
Co-Ops



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Co-Ops

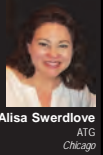
- Before the Condo Act was passed, Co-Ops were an alternative to renting.
- Co-Ops are a hybrid of personal property and real property.



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Co-Ops

- There is no individual ownership in the unit.
- Instead, the building and underlying land is owned by the Co-Op Organization, which can be:
 - a general for-profit corporation;
 - a not-for profit corporation; or
 - a land trust.



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Co-Ops

- If the property is owned by a corporation, stock certificates equal to the value of the leased unit are issued.
- If the property is in a trust, ownership of the beneficial interest reflects the percentage value of the unit.



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Co-Ops

- The organization, issues a proprietary lease for the unit to the stockholder in conjunction with the purchase.
- A Memorandum of Lease may be recorded to denote the unit lessee's interest in the property.



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Co-Ops

- Most co-ops are managed by a board or management company.
- Taxes are assessed on the entire building and paid by the co-op organization.
- Stockholders pay maintenance fees instead of rent.



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Insuring Co-Ops

- **Make sure the Insured has a lessee's interest, not just a property interest.**
 - Look at the lease, the co-ops charter, and the bylaws.
- **Verify that the lease or memorandum of lease will be recorded.**



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Insuring Co-Ops

- **Schedule A**
 - The policy type is a leasehold policy.
 - The insured interest is shown as a leasehold interest.
 - The titleholder is the tenant, as lessee pursuant to a recorded/unrecorded lease dated *, recorded *, * as lessee and * as lessor.



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Insuring Co-Ops

▪ Schedule A

- The legal description reflects a leasehold interest in Unit * in [the name of the Co-Op], [street address], located at [insert legal description of entire building].



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Insuring Co-Ops

▪ Schedule B

- The PIN reflected is that of the entire building.
- Exceptions that apply only to the unit should state: “applies only to the unit.”
- Exceptions that apply only to the entire building should state: “applies to the entire building/development.”



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Insuring Co-Ops

▪ Schedule B

- If the board doesn't allow a Memorandum of Lease to be recorded against property, the commitment and policy must contain the exception:
 - *Consequences, if any, for the failure to record a memorandum of lease (or mortgage).*



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Insuring Co-Ops

▪ Schedule B

- Review the lease for clauses that may affect title.
- Raise the co-op standard exceptions:
 - the Co-Op's bylaws;
 - the terms of the original executed lease;
 - a statement from the Board that it authorizes the leasing of the unit;
 - a statement from the Board that there are no unpaid assessments.



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Insuring Co-Ops

- **Schedule B**
 - Raise all encumbrances, mortgages, UCC statements, and liens incurred by the co-op.
 - All co-ops are subject to the Cooperatives Act 810 ILCS 310/*et seq.*
 - Search the UCC filings.
 - Loan Policies must raise the failure to obtain possession of the unit or stock exception.



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Co-Ops

- **ATG insures that the Insured has good, merchantable title, but without recording, the Insured's title is subject to judgments and liens against the Grantor, and subject to the interests of other persons/entities acquiring an interest from or through the Grantor.**



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Bankruptcy



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Bankruptcy

▪ Mortgages

- Any transfer of a debtor's interest in property within 90 days prior to the filing of a bankruptcy petition may be set aside by the bankruptcy trustee. *11 U.S.C. § 547(b)*



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Bankruptcy

■ Mortgages

- The trustee may not avoid a transfer of property by the debtor if the transfer creates a security interest in property acquired by the debtor and was given to secure new value that was given by the secured party at the time the security interest was created, *provided* that the security interest is perfected within 30 days after the debtor receives possession of the property. 11 U.S.C. § 547(c)(3)



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Bankruptcy

■ Mortgages

- ALTA Best Practices #4 requires that the recording documents be sent for recording within two days after the settlement date or the date the documents are received by the title agent.



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Bankruptcy

▪ Foreclosure

- Upon filing of a bankruptcy petition, an automatic stay of all collection actions is entered. *11 U.S.C. § 362(a)*
- A lender pursuing a mortgage foreclosure must obtain an order of relief from the automatic stay before commencing or continuing the foreclosure. *11 U.S.C. § 362(d)*



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Bankruptcy

▪ Foreclosure

- Relief from the automatic stay does not constitute abandonment of the property. *Catalano v. Commissioner*, 279 F.3d 682 (9th Cir., 2002). Therefore, relief from the stay to pursue foreclosure is not authorization to accept a deed in lieu of foreclosure or for the debtor to sell the property to a third party without further court approval.



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Bankruptcy

■ Creditors' Rights

- The ALTA 2006 Loan Policy Exclusion from Coverage 6 specifically excludes from coverage:

Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage is:

- (a) a fraudulent conveyance or fraudulent transfer, or*
- (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy [failure to timely record].*



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Bankruptcy

■ Creditors' Rights

- Lenders will frequently request that this “creditors’ rights” exclusion be deleted from the final policy, especially if the loan documents contain “dragnet” clauses, in which the mortgage stands as security for other debts owed by the borrower/mortgagor, or when accepting a deed in lieu of foreclosure.
- ATG will not waive or insure this Exclusion.



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Bankruptcy

■ Authority to Sell

- The case is closed.
- The property is abandoned from the bankruptcy estate.
- The trustee sells the property.



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Bankruptcy

■ Authority to Sell

- The property is abandoned from the bankruptcy estate.
 - The trustee may abandon the property; or
 - The court may order the trustee to abandon the property.



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Bankruptcy

■ Authority to Sell

- The property is abandoned from the bankruptcy estate.
 - The creditors received notice.
 - No objection was raised.
 - The court entered an order of abandonment of this specific property.
- The procedure is not necessary if the trustee has the authority to continue the debtor's business.



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Bankruptcy

■ Authority to Sell Free and Clear

- The trustee may sell the property free and clear of liens under limited circumstances.
- Requirements
 - Non-Bankruptcy Law Permits
 - Holder of Interest Consents
 - No Equity in the Property
 - The interest is disputed, or the holder could be compelled to accept a satisfaction.



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Bankruptcy

■ Authority to Sell Free and Clear

- Procedure
 - All creditors receive notice.
 - A hearing is held.
 - Court order to sell indicates requirements were met.
 - Strict compliance.



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Bankruptcy

■ Bankruptcy and Co-Tenants

- Property of Co-Owners is subject to bankruptcy.
- Raise bankruptcy exception on all property interests.
- Final order or abandonment.
- Trustee has authority to sell entire property in some cases.



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Bankruptcy

▪ Bankruptcy and Co-Tenants

- Requirements for Trustee to Sell:
 - Partition is impracticable.
 - Sale of divided interest would produce less income.
 - Benefit to estate outweighs detriment to Co-Owners.
 - Not a utility property.



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Bankruptcy

▪ Judgments and Liens

- A discharge in bankruptcy does not extinguish a judgment or other lien recorded prior to the filing of the bankruptcy petition.
- The discharge merely terminates the debtor's personal liability for the debt; the property remains subject to the lien unless the bankruptcy court specifically orders that the lien be removed.



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Bankruptcy

▪ Judgments and Liens

- If the debtor acquires property after the discharge is granted, the lien does not attach since there is no debt, provided that the judgment creditor has been listed in the bankruptcy schedules and that the debt has been discharged.



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Bankruptcy

▪ Bankruptcy and Liens

- Judgment Lien Attached *Before* the Discharge in Bankruptcy
 - Raise an exception.
- Statute of Limitations Has Run on a Judgment Lien Whose Debt Was Discharged in Bankruptcy
 - No exception for the lien.



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Bankruptcy

- The trustee may avoid certain liens against the property, eliminating them from the property.
 - No exception is necessary for an avoided lien.



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Short Sales



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Short Sales

- **A short sale occurs when the seller cannot pay off the entire balance of loan funds that are due and owing.**
 - Attorneys negotiate with the lender to accept a lesser amount in satisfaction of the mortgage.
 - These transactions can take months to get to a closing table.



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Short Sales

- **Lenders look to various factors when issuing a short sale payoff.**
 - Financial Hardship
 - Unemployment
 - Mortgagor's inability to pay
 - Illness
 - Financial Information
 - Debt levels
 - Other assets



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Short Sales

■ Factors for Payoff Issuance

- Property Valuation
 - Property must be sold at fair market value.
- Subordinate Liens
 - Senior lien holder may refuse a junior lien payoff.
 - Junior lien holders must agree to a reduced payoff or in worst case scenarios, no payoff at all.



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Short Sales

■ Factors for Payoff Issuance

- Arms Length Transaction
 - Lenders require the parties to be unrelated.
- Owner Occupied Residence
 - It is easier to negotiate a settlement for primary residences than investment property.



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Short Sales

- The payoff letters must be carefully examined to ensure compliance with all requirements in the payoff.
- Lenders can limit the fees allowed on the CD and the amounts charged.
- Review the payoff and closing settlement statement to ensure fees are correctly reflected.



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Short Sales

- The lender must approve ATG's closing settlement statement either by signing it or sending an email with their approval in advance of closing with their bottom line and list of allowed charges.
- ATG must approve the short sale payoff letter.



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Underwriting Help

- **Email**
 - legal@atgf.com
- **Phone**
 - 800.252.0402 or
 - 312.752.1990



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FOURTH TOPIC

Latest Cyber Security for Lawyers

November 5, 2020



Chris Burhans
ATG Senior Vice President
Chief Information Officer

Cybersecurity Risk Management

for Real Estate Attorneys



Chris Burhans CISSP, C|EH, Sec+, MS
Chief Information Officer | Senior VP
Attorneys' Title Guaranty Fund
Cburhans@atgf.com
(312) 752-1241



Understanding the Threat

1. The Threat Landscape

- Cybersecurity is ongoing and the threat is real.
- People are often the weakness, not systems.

2. Attack Types

- Ransomware
- Phishing / Spear Phishing
- Smartphone attacks

3. Risk Mitigation Techniques

- Prevention
- Detection
- Recovery



Today's Agenda

15 Action Steps to Secure Your Practice

1. Anti-Virus
2. Encryption
3. Physical Security
4. Email
5. Wireless
6. Documented Policies
7. Disaster Recovery Plan
8. Business Domains
9. Cloud Usage
10. Password Manager
11. Updates
12. Cybersecurity Insurance
13. Wire Fraud
14. Securing Zoom Meetings
15. Using Digital Signatures
16. Data Sensitivity



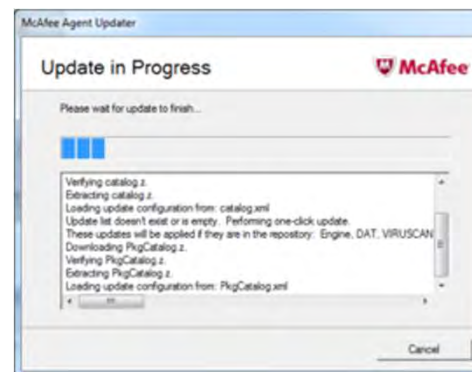
1. Install Anti-Virus / Ransomware Protection

Things To Consider:











- Who else uses it? Does it work?
- System Load / Requirements
- Ease of Use
- Price



- Make sure it updates regularly
- Check bells and whistles



Compare Specs: Our Antivirus Picks

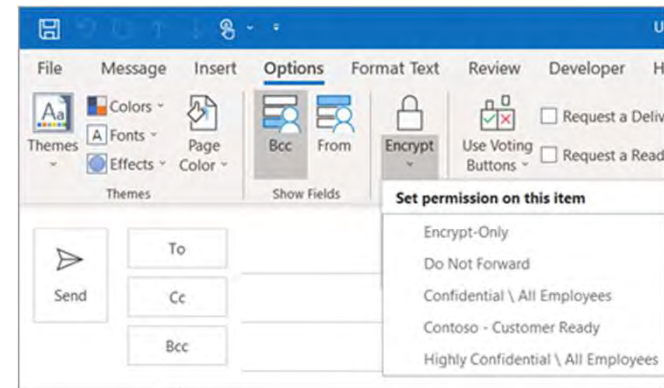
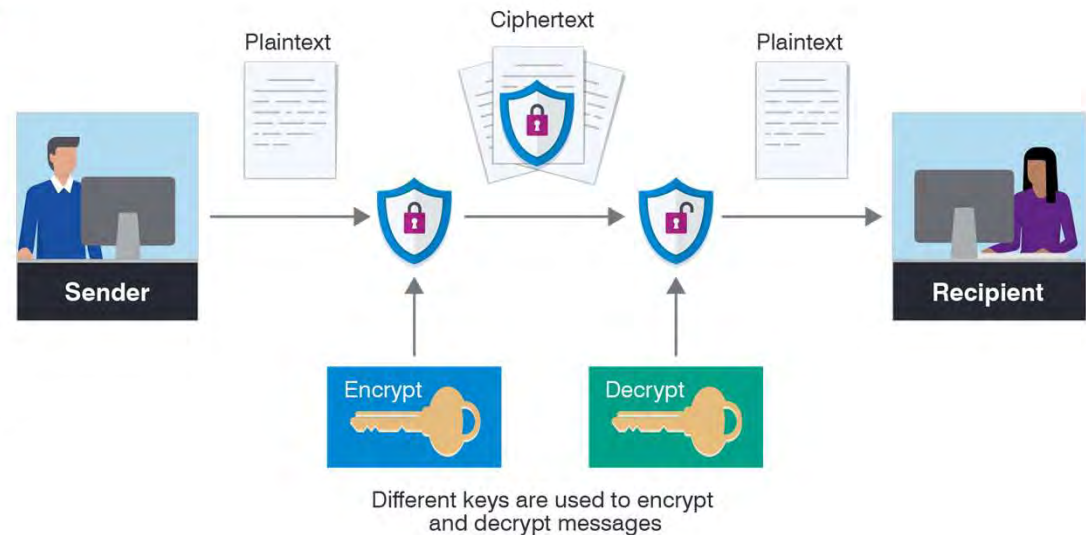
Our Pick	Rating	On-Demand Malware Scan	On-Access Malware Scan	Website Rating
 McAfee AntiVirus Plus >	EDITORS' CHOICE ●●●●○ 4.0 Review	✓	✓	✓
 Norton AntiVirus Plus >	●●●●○ 4.0 Review	✓	✓	✓
 Kaspersky Anti-Virus >	EDITORS' CHOICE ●●●●● 4.5 Review	✓	✓	✓
 Bitdefender Antivirus Plus >	EDITORS' CHOICE ●●●●● 4.5 Review	✓	✓	—
 Webroot SecureAnywhere AntiVirus >	EDITORS' CHOICE ●●●●● 4.5 Review	✓	✓	✓
 ESET NOD32 Antivirus >	●●●●○ 4.0 Review	✓	✓	—
 Malwarebytes Premium >	●●●●○ 4.0 Review	✓	✓	—
 Sophos Home Premium >	●●●●○ 4.0 Review	✓	✓	—
 Trend Micro Antivirus+ Security > <small>\$29.95/Year at Trend Micro Small Business</small>	●●●●○ 3.5 Review	✓	✓	✓
 F-Secure Anti-Virus >	●●●●○ 3.5 Review	✓	✓	—



2. Implement Encryption

Types:

- In transit = encrypted email
 - At rest = encrypted hard drives
 - *File level = encrypted documents*
 - *Application level = encrypted programs*
-
- Password protect files using cloud security
 - Physical security improved
 - Communication security improved

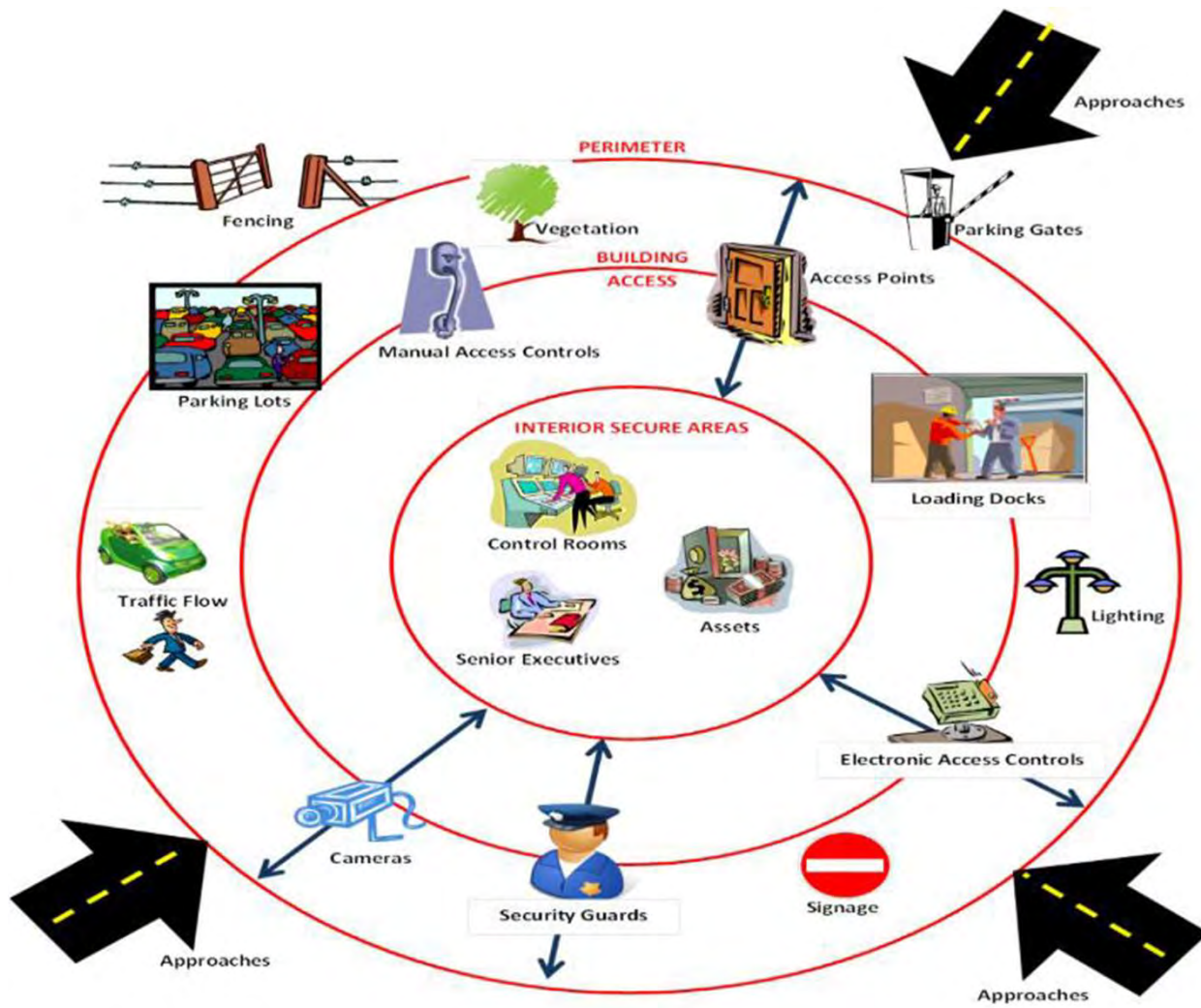


3. Pay Attention To Physical Security

Tips:

- Clean desk policy
 - Server rooms under lock/key
 - Shredding service
 - Remote tracking
 - Lock screens
-
- Mitigates risk against theft
 - Prevents data leakage
 - Adheres to standards





4. Secure Email With Multiple Layers

Recommended Layers:

- Spam filters
 - MFA logins
 - Attachment scanning
 - Link scanning
 - Simulated attacks
-
- Email is one of the biggest risks
 - Real estate industry targeted
 - Layered defense strategies



Protect your account with 2-Step Verification

Each time you sign in to your Google Account, you'll need your password and a verification code.
[Learn more](#)



Add an extra layer of security

Enter your password and a unique verification code that's sent to your phone.



Keep the bad guys out

Even if someone else gets your password, it won't be enough to sign in to your account.

[GET STARTED](#)

A screenshot of an Office 365 account verification page. At the top, it says 'Office 365'. Below that, it says 'For added security, we need to further verify your account'. Then it asks 'How do you want us to verify your account?'. There are two options: a text message icon and the email address 'alberta@contoso.com' with a 'Text me at +X XXXXXXX0083' and a three-dot menu. Below that, it says 'We've sent you a text message with a verification code.' and there is a text input field labeled 'Enter verification code'. At the bottom, there is a blue 'Sign in' button.

The screenshot shows the Office 365 Security & Compliance interface. On the left is a navigation menu with options: Home, Alerts, Permissions, and Classifications. The main content area is titled 'Home > Policy' and displays six feature cards:

- Anti-malware:** Protect your organization's email from malware, including what actions to take and who to notify if malware is detected.
- ATP safe attachments:** Protect your organization from malicious content in email attachments and files in SharePoint, OneDrive, and Teams.
- ATP safe links:** Protect your users from opening and sharing malicious links in email messages and Office 2016 desktop apps.
- Anti-spam:** Protect your organization's email from spam, including what actions to take if spam is detected.
- DKIM:** Add DKIM (DomainKeys Identified Mail) signatures to your domains so recipients know that email messages actually came from your users.
- ATP anti-phishing:** Protect your users from impersonation-based phishing attacks.

Get the right Office 365 Advanced Threat Protection

Compare and choose from Office 365 Advanced Threat Protection plans.

\$2.00
user/month
(annual commitment)
Price does not include tax.

Office 365 Advanced Threat Protection (Plan 1)

[Learn more >](#)

Add Office 365 ATP Plan 1 to select Exchange and Microsoft 365 subscriptions*

\$5.00
user/month
(annual commitment)
Price does not include tax.

Office 365 Advanced Threat Protection (Plan 2)

[Buy now](#)

Includes all Office 365 ATP Plan 1 benefits and more





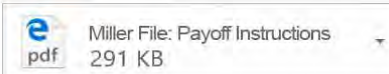
Wed 2/26/2018 11:40 AM

Jane Smith <jane.smith@chase.bankq.com>

Payment Instructions

To Lawy, William

This message was sent with High importance.



Hey Bill,

ATG has requested that I forward you the payoff instructions, please see the attached document containing that information. To check the status after sending, please register for an account [here](#).

Hope you're staying warm in this blizzard, our office was buried yesterday.

Talk to you soon.



Jane Smith | *Loan Officer*
JP Morgan Chase Bank, N.A.
One South Wacker Drive, 24th Floor
Chicago, Illinois 60606-4654
Jane.Smith@chase.com
Direct: 312-752-1241 | Fax: 312-224-0234
www.chase.com | Follow Chase on [LinkedIn](#)





Wed 2/26/2018 11:40 AM

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Jane Smith | Loan Officer
JP Morgan Chase Bank, N.A.
One South Wacker Drive, 24th Floor
Chicago, Illinois 60606-4654
Jane.Smith@chase.com
Direct: 312-752-1241 | Fax: 312-224-0234
www.chase.com | Follow Chase on [LinkedIn](#)



Green Flags:

- Comfortable salutation
- Partner referenced by name
- Industry Terminology
- Reference to weather

Red Flags:

- Signature Email vs. 'From'
- Outgoing link and/or attachment
- Instructions to do something
- Normally grammar / spelling errors (SPAM filter)
- Timing

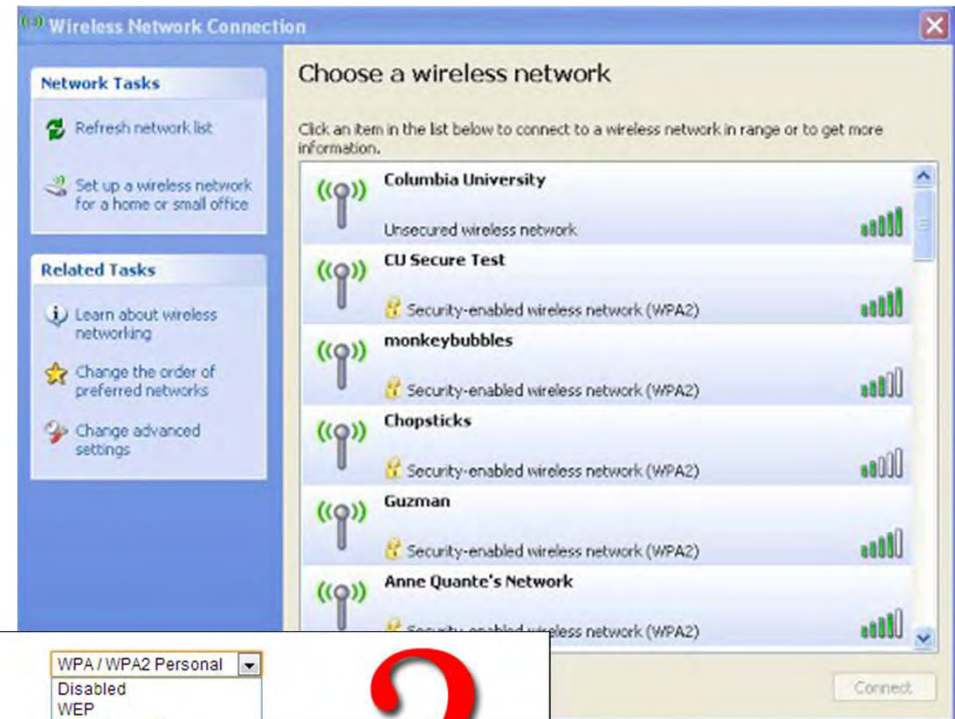


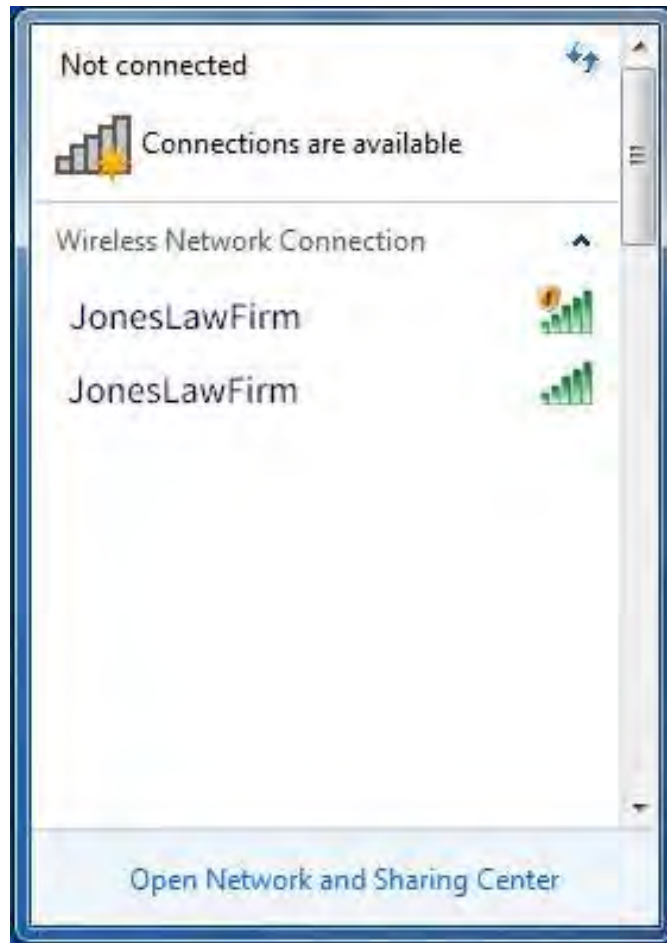
5. Over Protect Wireless Networks

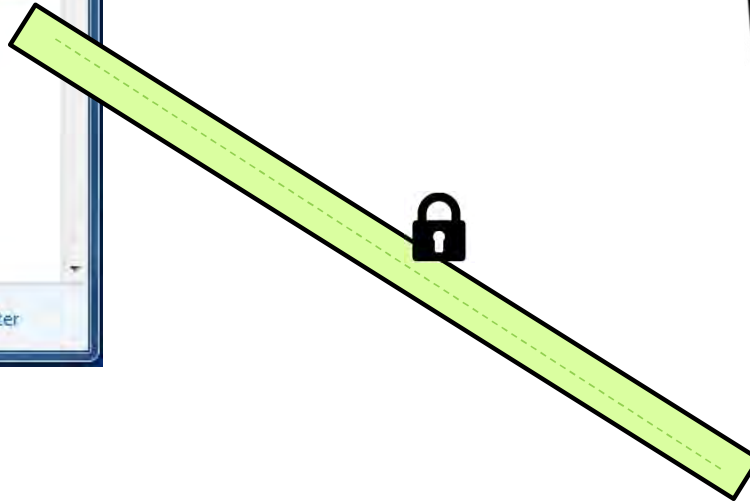
Action Steps:

- Enforce WPA2 or higher
- Do not make SSID recognizable
- Change default router passwords
- Be mindful of rogue AP attacks
- Implement URL filtering

- Make public vs. private Wi-Fi separate networks
- Do not hang passwords on the wall
- Computers vs. phones







File Edit View Go Capture Analyze Statistics Telephony Wireless Tools Help

http.request.method == "POST"

No.	Time	Source	Destination	Protocol	Length	Info
2337	12.487070842			HTTP	358	POST / HTTP/1.1 (text/plain)
2650	14.717618210			OCSP	481	Request
2651	14.717764505			OCSP	481	Request
8215	29.170755017			OCSP	481	Request
8384	29.492669152			OCSP	485	Request
8385	29.492732390			OCSP	485	Request
8386	29.492782494			OCSP	485	Request
8388	29.492844821			OCSP	485	Request
8948	30.768492459			OCSP	485	Request
11357	37.749443832			OCSP	485	Request
12287	42.993223874			OCSP	496	Request
14183	48.422279827			OCSP	486	Request
14185	48.422431772			OCSP	486	Request
16333	268.924475512			OCSP	485	Request
16439	277.919660713			OCSP	481	Request
+	16475	286.102093831		HTTP	1310	POST /users/sign_in HTTP/1.1

▶ Frame 16475: 1310 bytes on wire (10480 bits), 1310 bytes captured (10480 bits) on interface 0
 ▶ Ethernet II, Src: , Dst:
 ▶ Internet Protocol Version 4, Src: , Dst:
 ▶ Transmission Control Protocol, Src Port: 47370, Dst Port: 80, Seq: 1, Ack: 1, Len: 1256
 ▶ Hypertext Transfer Protocol
 ▶ HTML Form URL Encoded: application/x-www-form-urlencoded

- ▶ Form item: "utf8" = "/"
- ▶ Form item: "authenticity_token" = "r+Aq4tiWi60V7Uu1cEpng+qgIvaEZwPkBrIV+uco8MsuI3EtZJ1YGov+sFkTPcWjHnRF"
- ▶ Form item: "user[email]" = "hacker@nullbyte.com"
- ▶ Form item: "user[password]" = "123Password321"
- ▶ Form item: "commit" = ""
- ▶ Form item: "user[remember_me]" = "0"



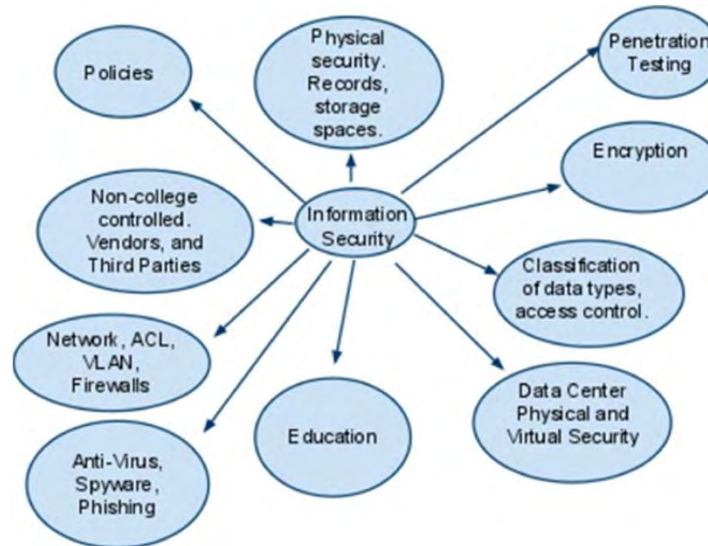
6. Document Policies

Should Answer:

- What information needs protecting?
- How will it be protected?
- Who oversees protecting it?
- Who does the policy apply to?



- Starts at the top
- Enforcement is key
- Start simple
- NIST standards can be followed



Information Security Policy Templates

Welcome to the SANS Security Policy Resource page, a consensus research project of the SANS community. The ultimate goal of the project is to offer everything you need for rapid development and implementation of information security policies. You'll find a great set of resources posted here already, including policy templates for twenty-seven important security requirements.

Find the Policy Template You Need!

General

- [Acceptable Encryption Policy](#)
- [Acceptable Use Policy](#)
- [Clean Desk Policy](#)
- [Data Breach Response Policy](#)
- [Disaster Recovery Plan Policy](#)
- [Digital Signature Acceptance Policy](#)
- [Email Policy](#)
- [Ethics Policy](#)
- [Pandemic Response Planning Policy](#)
- [Password Construction Guidelines](#)
- [Password Protection Policy](#)
- [Security Response Plan Policy](#)
- [End User Encryption Key Protection Policy](#)

<https://www.sans.org/security-resources/policies>

Network Security

- [Acquisition Assessment Policy](#)
- [Bluetooth Baseline Requirements Policy](#)
- [Remote Access Policy](#)
- [Remote Access Tools Policy](#)
- [Router and Switch Security Policy](#)
- [Wireless Communication Policy](#)
- [Wireless Communication Standard](#)

Server Security

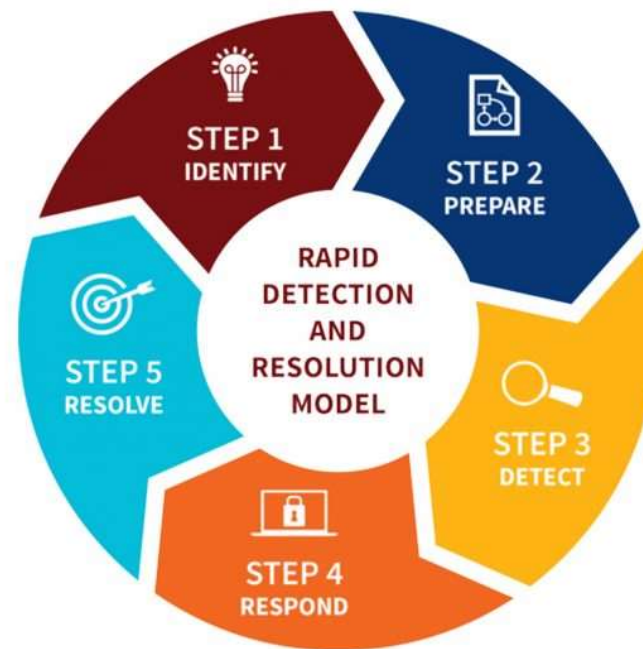
Application Security



7. Create Incident Response Plan

Three Primary Roles:

- Threat Researcher
 - Triage / System Analysis
 - Crisis Management
-
- How much would it cost?
 - Never pay the hackers
 - Step by step process
 - Communication is key





Find Training | Live Training

Sample Incident Handling Forms

- **Security Incident Forms**
 1. Incident Contact List
 2. Incident Identification
 3. Incident Survey
 4. Incident Containment
 5. Incident Eradication
 6. Incident Communication Log
- **Intellectual Property Incident Handling Forms**
 1. Incident Form Checklist
 2. Incident Contacts
 3. Incident Identification
 4. Incident Containment
 5. Incident Eradication
 6. Incident Communication Log
- Chain of Custody Form

<https://www.sans.org/score/incident-forms>



8. Understand Why Business Domains Are Vital

Business Domains Advantages:

- Create trust
- Harder to impersonate
- Very cheap
- Know how to read them

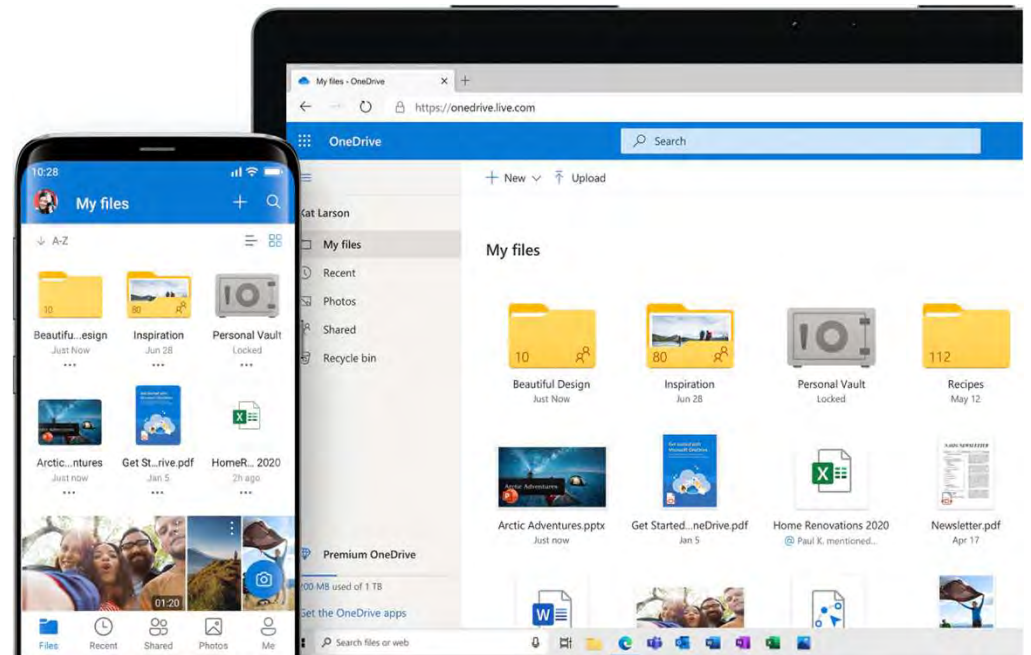
- lawyer123@gmail.com vs. lawyerl23@gmail.com
- Tip: Read email addresses backwards
- Helps promote awareness
- Expect to be impersonated



9. Use The Cloud

Cloud Advantages:

- Inherent security
 - Integrated disaster recovery
 - Integrated encryption
 - Low storage price
 - Share links, not attachments
-
- Use MFA for access
 - Directory level security recommended
 - Audit logs make triage easier
 - Encrypt at rest and in transit
 - Off-site backup built in





CLOUD vs. ON-PREMISE



OVERVIEW

- Low-cost up front
- Predictable cost over time
- No hardware/server investments



- Reduced initial price

- May end up spending more over the course of the system's life cycle



- Upfront investment can be seen as riskier
- Have to pay for hardware and servers
- Responsible for IT maintenance and setup

SETUP

- Quick and easy (done by your vendor)
- Adding new users and instances is easy
- Remote access requires no work on your part



- Setup is done by you, giving you greater control over the process



- Implementation may take much longer
- Responsible for setting up remote access
- Adding users and instances may be costly

CUSTOMIZATION

- Greater consistency and stability
- More vendor support for customizations



- Direct database access is possible, enabling complex customizations

- Direct database access is not allowed for security reasons, which may limit complex customization



- Bespoke integrations may break when the vendor updates the software

MAINTENANCE

- Server and hardware taken care of by vendor
- Updates, patches and fixes are installed automatically and regularly



- Perform updates, patches and fixes yourself
- Maintain supporting servers, hardware, resources



SECURITY & DISASTER RECOVERY

- Security and backups taken care of by vendor



- Security is in your hands; greater personal control over your data

- Security and backups taken care of by vendor – quality of data center will vary



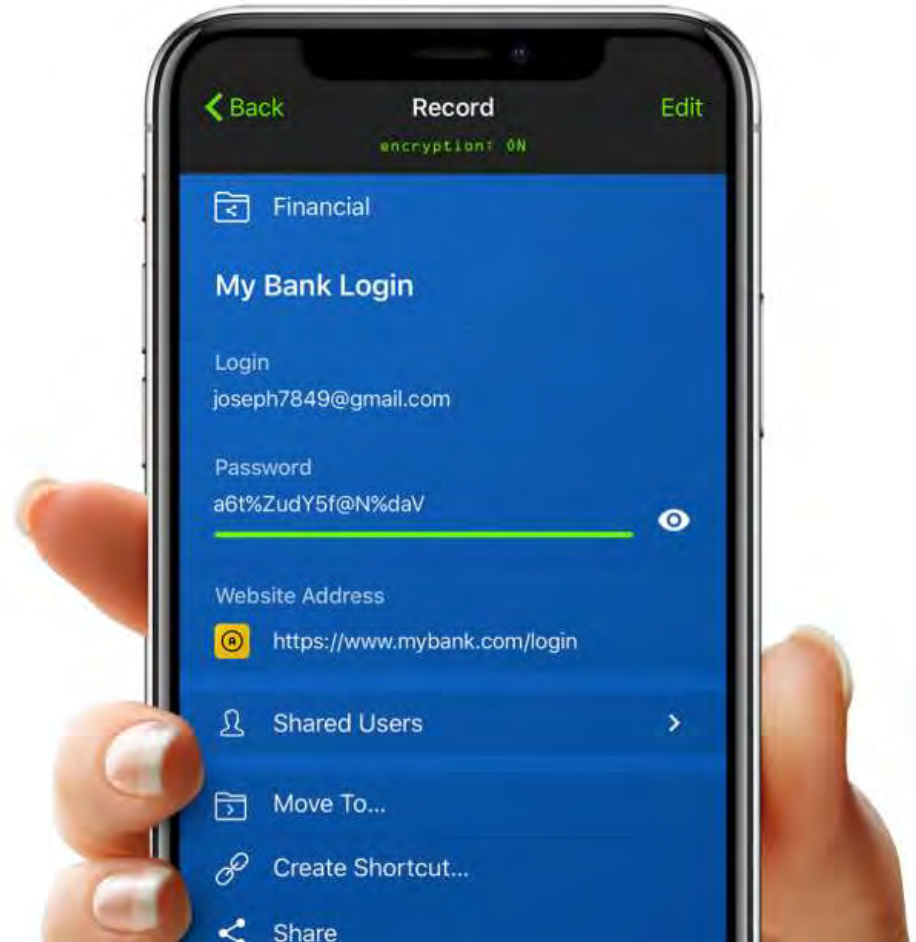
- Security is in your hands; you are responsible for data breaches and server failures
- You carry cost of backups and server redundancy



10. Consider a Password Manager

Password Manager Advantages:

- Used by thousands of companies
 - Vault based password management
 - Active directory integration
 - Accessible anywhere
-
- Prevents writing passwords down
 - Directory level security recommended
 - Audit logs make triage easier
 - Encrypt at rest and in transit
 - Off-site backup built in





One account. All of Google.

Sign in to continue to Gmail



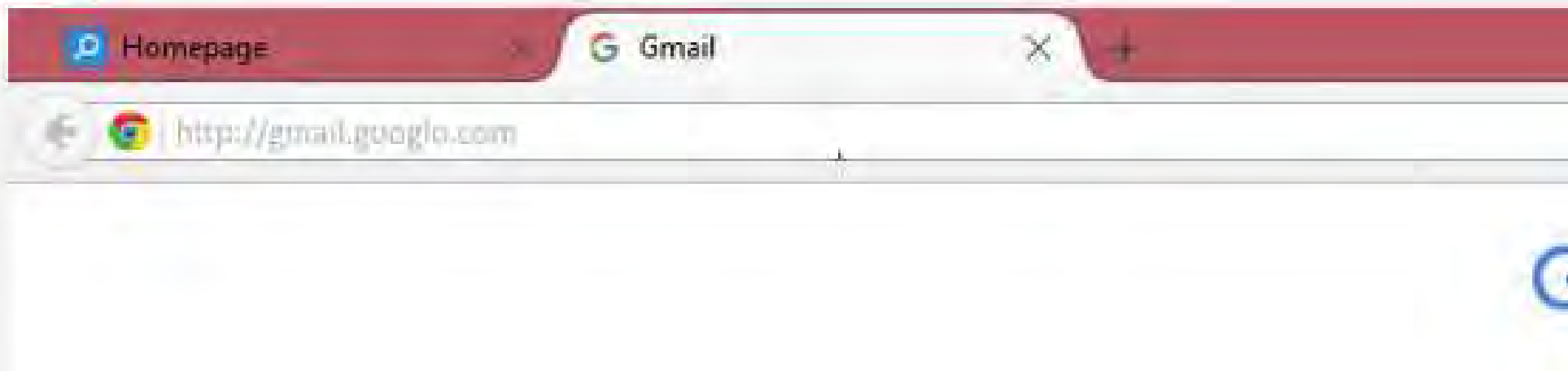
[Next](#)

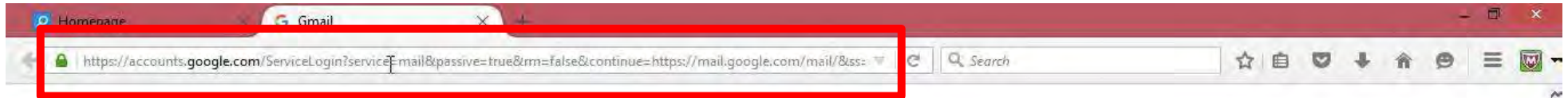
[Need help?](#)

[Create account](#)

One Google Account for everything Google







One account. All of Google.

Sign in to continue to Gmail

[Next](#)
[Need help?](#)

[Create account](#)

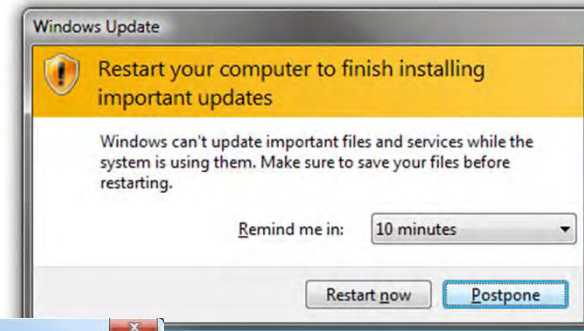
One Google Account for everything Google



11. Install Updates Regularly

Types of updates:

- Windows updates
 - Third-party updates
 - End of life cycles
-
- Updates are annoying but critical
 - Mitigates risk against email attacks
 - Updates + Anti-Virus = Machine Security
 - Create responsible party
 - Can be managed remotely by third-party company



12. Consider Cybersecurity Insurance

Questions To Ask:

- What types of incidents are covered?
- What types of incidents are NOT covered?
- How long do I have to report it?
- What happens after I report a claim?
- What is the cost, how is coverage priced?
- If a breach occurs, does my premium go up?
- Are there any audit or operational obligations?
- Is there anything I can do to minimize cost?
- Have any recent claims been denied coverage? If so, why?





Common Reasons Why Cybersecurity Claims Are Denied

- **Failure to Maintain** (negligence) – you did not protect yourself
- **Industry-Specific Fine** – your business, your responsibility
- **Ransomware / Extortion** – lost income covered, extortion bill is not
- **Social Engineering (negligence)** – did you open the door?



13. Go Above and Beyond For Wire Fraud

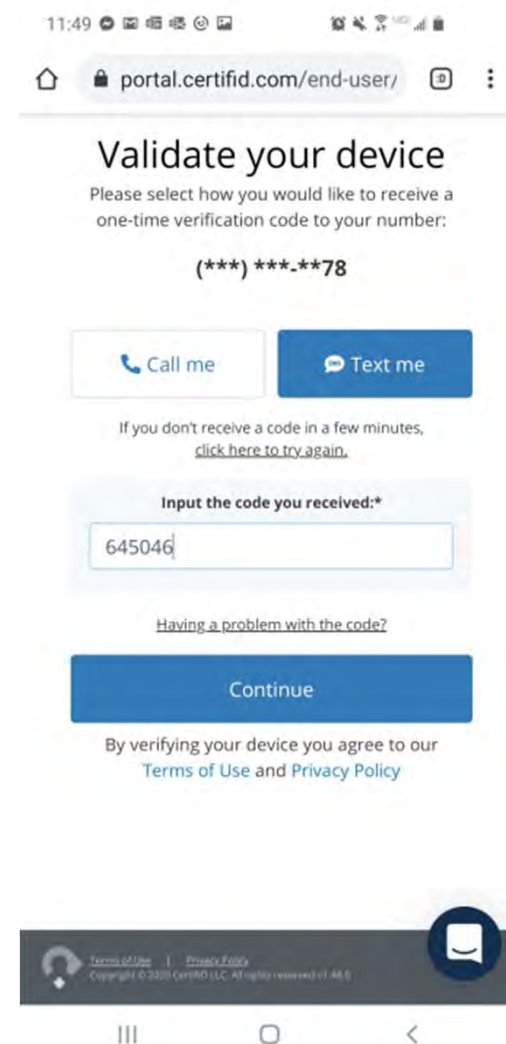
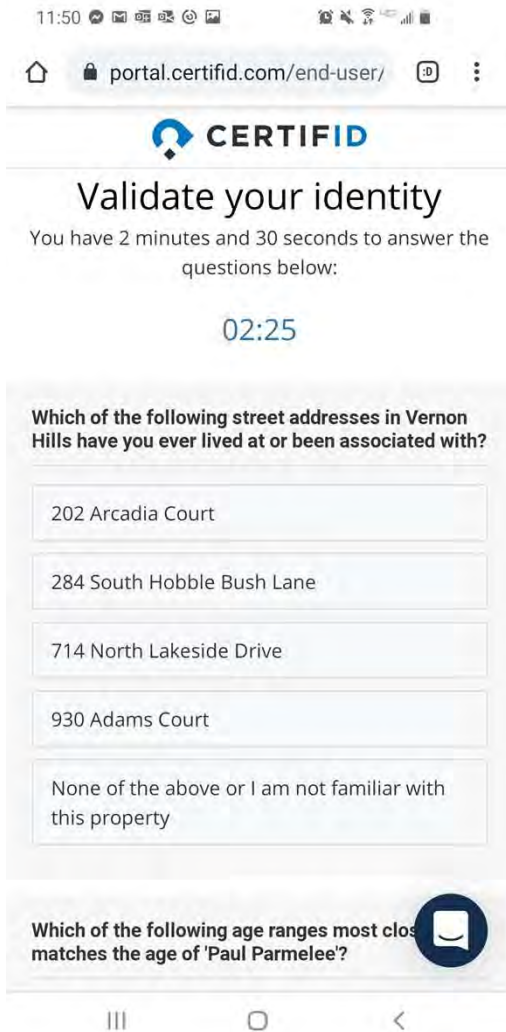
Wire Fraud Prevention:

- Create educational welcome packet
- Consider further protection with paid services
- Develop specific guidelines
- Create separate wire fraud response process



- Can't stop impersonation, need to educate
- You are on the hook
- Wires are foreign, further need to educate
- You cannot secure buyer, seller or agent
- Know what to look for





14. Securing Zoom Meetings

Tips for secure Zoom meetings:

1. Password Protect Meetings
2. Authenticate Users
3. "Join Before Host"
4. Lock Meetings
5. Disable Participant Screen Sharing
6. Use Waiting Rooms
7. Use Randomly Generated Meeting IDs
8. *Always check for updates*



15. Using Digital Signatures

Digital signature usage:

1. Real signatures, not just images
2. Use third-party certificates
3. Audit trail required
4. Tamper-proof solution
5. Signee authentication



16. Data Sensitivity

Noteworthy Compliance:

- GDPR
 - California Consumer Privacy Act
-
- Facebook set the stage
 - Fines are meant to be severe
 - New York is coming...



New York's Privacy Bill Is Even Bolder Than California's

New York is poised to become the next battleground in the fight for consumers' rights over their personal data.



Deloitte.

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Search

Data is the new gold

The future of real estate service providers

The role of the real estate service provider of the future must evolve to embrace digitization and stay ahead of the competition.



Digital innovation is reshaping the way most industries and businesses are functioning today. Robotics, augmented/virtual reality sensor technology, internet of things, building information modelling systems, and other disruptive technologies are poised to transform the real estate industry.

By 2030, data collection and analysis will become the basis of all future service offerings and business models. The volume of data generated in the real estate industry is attracting international technology companies and other new market participants.

How can real estate service providers tackle this and stay ahead of the curve?

In this report from Deloitte Global we look at drivers and trends that will impact the future of real estate services, and recommend steps that providers can take to remain successful.

Real estate service providers can lead the way by working with clients to develop and implement effective strategies around embracing technology, digitalizing buildings and infrastructure, and analyzing user behavior to meet the demands of the future.

Read this report to learn how real estate service providers can re-align their business models and services to be successful in the marketplace.

This report was adapted from a report by Deloitte Germany.

Explore Content

[Download the report](#)

[Related topics](#)



Data is the new gold

[Download the full report](#)



Easy Tips To Secure Your Business

Email

- Use private business domain
- Add multi-factor authentication to all company accounts
- Implement a SPAM filter
- Encrypt sensitive messages

Wi-Fi

- Change default passwords on router
- Disguise network name
- Ensure use of latest security protocol for encryption (WPA2 now, WPA3 coming)

Computers

- Update anti-virus software daily
- Encrypt sensitive documents
- Ensure you have effective patch management

Restoration

- Backup to the cloud / or a server

Awareness

- Create process to regularly train staff on cybersecurity threats
- Create cybersecurity information packets for clients

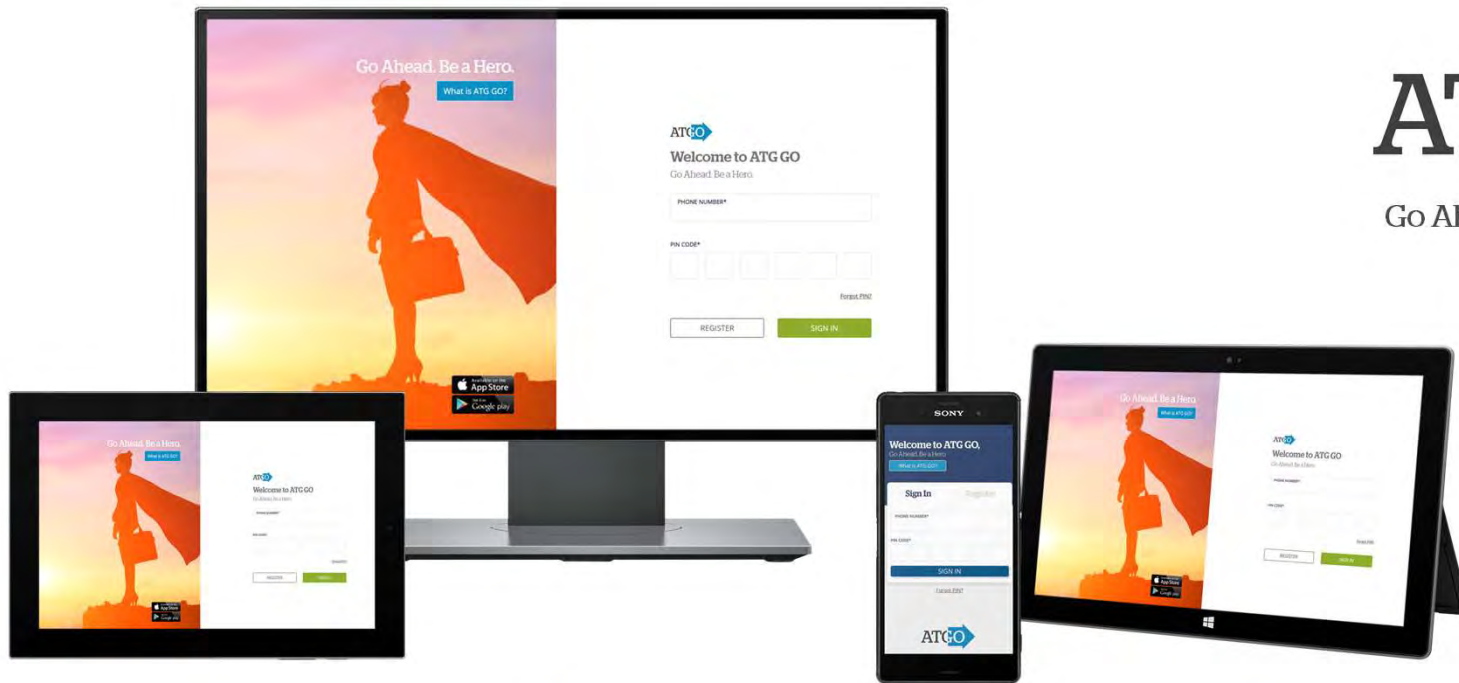
Documentation

- Create an information security policy and enforce it

Mitigate Risk

- Get annual cybersecurity assessments done to measure your level exposure





Smart Orders

Collaborative order platform built for real estate attorneys.



Document Cloud

Cloud file storage and synchronization services.



Closing Calendar

Easily schedule your closing from any location at any time.



Enhanced Security

Iron-clad security and encryption protocols.





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