

Wednesday, March 18, 2020

Bulletin #2020-AC-007

NOTICE TO ALL CUSTOMERS

REVISED New Title Endorsement and/or Title Insurance Coverage Requirements

As the Coronavirus continues to evolve rapidly, several counties are closing their offices temporarily as a precaution. These closures present additional risks to lenders when comes to title defects affecting the lender's lien position as the title commitment may not have the most recent liens/mortgages/interests ownership transfer information of the subject property.

To mitigate this risk, **effective immediately**, FLCBank is implementing additional requirements to its title commitment policy **when a mortgage loan is closing in areas where the county recorder's offices are closed or if the subject property is located in areas where the county recorder's offices are closed, and the title commitment does not contain affirmative gap language in the policy jacket:**

- All Title Commitment/Policies must have an Endorsement for Gap coverage providing protection and coverage for title defects that may arise during the gap period between the date of the commitment and the recording of the security instrument documents.
- If the Title Insurer does not provide gap endorsement; then
 - Independent Gap Policy coverage must be provided in addition to the title commitment; this is a separate coverage protecting the buyer and lender of any liens/title defects arising during the gap period between the date of the commitment and the recording of the security instrument documents.

FLCBank appreciates your business! If you have any questions, please reach out to your Account Executive and Client Relations Representative.