

ITEM 2023 - 1
RATE RULE R-11

CITATION

Section III, Rate Rule R-11 Loan Policy Endorsements of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

R-11. Loan Policy Endorsements

Applicable only as provided in Procedural Rule P-9.

- A. Assignment of Mortgage Endorsement (Form T-3, Endorsement Instruction III):
1. If issued within twelve months after the date of the policy, the premium is the ~~Assignment of Mortgage Endorsement issued as provided in Procedural Rules P-9.b(1) and P-9.b(2). The minimum Basic Premium Rate. shall be charged for each General Endorsement(Form T-3) Instruction III (Assignment of Mortgage) - issued after the date of the original policy.~~
 2. If issued more than twelve months after the date of the policy, the premium is the minimum Basic Premium Rate plus \$100.00 for each additional full or partial twelve-month period.
 3. ~~In no event, h-~~ However, the maximum premium collected must not be more than ~~shall such premium exceed~~ 50% of the premium applicable to the original Loan Policy under the Schedule of Basic Rates for the loan policy Amount based on the current ~~under the~~ Schedule of Basic Premium Rates.
- B. ~~b.~~ Loan Policy of Title Insurance Endorsement Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement, or Release from Personal Liability Endorsement (Form T-38):
1. ~~If issued as provided in Procedural Rule P-9.b(3). A premium of \$100.00 shall be charged for each Loan Policy of Title Insurance~~

~~Endorsement (Form T-38) (Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement, or Release from Personal Liability) issued within one year twelve months after the date of the ~~original~~ policy, the premium is the minimum Basic Premium Rate.~~

- ~~2. If issued more than twelve months after the date of the policy, the premium is the minimum Basic Premium Rate plus ~~after said one year period, an additional \$25.00~~ ~~\$10.00 shall be charged~~ for each additional full or partial twelve-month period thereafter, ~~or a part thereof.~~~~
- ~~3. In no event, however, shall such premium exceed~~ However, the maximum premium collected must not be more than 50% of the premium applicable to the original Loan Policy for the loan policy amount based on the current ~~under the~~ Schedule of Basic Premium Rates.

~~C.- e. Down Date Endorsement issued as provided in Procedural Rule P-9.b(4) -- A premium of \$50.00 shall be charged for the issuance of each General (Form T-3), Endorsement Instructions V or VII): (Down Date Endorsement), provided for in Procedural Rule P-9.b(4).~~

- ~~1. If the land in the policy is Residential Real Property, the premium is \$50.00.~~
- ~~2. If the land in the policy is not Residential Real Property, the premium is \$100.00.~~

~~D. d. Variable Rate Mortgage Endorsement (Form T-33) and Variable Rate Mortgage - Negative Amortization Endorsement (Form T-33.1): issued as provided in Procedural Rule P-9.b(6) --~~

- ~~1. A The premium for the Variable Rate Mortgage Endorsement (Form T-33) is \$20.00. ~~of \$20.00 shall be charged for the issuance of each Variable Rate Mortgage Endorsement (Form T-33) or~~~~
- ~~2. The premium for the Variable Rate Mortgage-Negative Amortization Endorsement (Form T-33.1) is: ~~authorized by Procedural Rule P-9.b(6) except that such~~~~

- a. \$20.00; or
- b. \$0.00 additional premium charge shall not be made if an additional premium is charged has been made for the Loan Policy because of an increased policy Amount, (to which the Endorsement is attached).

E. ~~e.~~ Manufactured Housing Endorsement (Form T-31) and Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1):

- 1. The premium for the Manufactured Housing Endorsement (Form T-31) is issued as provided in Procedural Rule P-9.b(7) A premium of \$20.00 shall be charged for the issuance of a Manufactured Housing Endorsement (Form T-31) as provided for in Rule P-9b(7).
- 2. The premium for the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) is A premium of \$50.00, shall be charged for the issuance of a Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) as provided for in Procedural Rule P-9b(7).

F. ~~f.~~ Future Advance/Revolving Credit Endorsement issued as provided in Procedural Rule P-9.b(8) A premium of The premium for the Revolving Credit Endorsement (Form T-35) is \$50.00, shall be charged for the issuance of each Future Advance/Revolving Credit Endorsement (Form T-35) provided for in Procedural Rule P-9.b(8).

G. ~~g.~~ The premium for the Environmental Protection Lien Endorsement (T-36) is issued as provided in Procedural Rule P-9.b(9) A premium of \$25.00, shall be charged for the issuance of each Environmental Protection Lien Endorsement (Form T-36) provided for in Procedural Rule P-9.b(9).

H. ~~h.~~ Balloon Mortgage Endorsement (Form T-39):

- 1. When issued at the time the policy is issued, the premium is issued as provided in Procedural Rule P-9.b(10) A premium of

~~\$25.00;~~ shall be charged for the issuance of the Balloon Mortgage Endorsement (Form T-39) provided for in Procedural Rule P-9.b(10) if the endorsement is issued at the time of the issuance of the Loan Policy.

2. When issued after the date of the policy, the premium is A ~~premium of \$50.00.~~ shall be charged for the issuance of the endorsement provided for in Procedural Rule P-9.b(10) if the endorsement is issued subsequent to the issuance of the Loan Policy.

I. ~~i. The premium for the First Loss Endorsement (Form T-14) is issued as provided in Procedural Rule P-9.b(11)-- When the First Loss Endorsement (T-14) is issued with a Loan Policy in accordance with Procedural Rule P-9 b(11), the premium for the First Loss Endorsement (Form T-14) shall be \$25.00.~~

J. ~~j. The premium for Loan Policy Aggregation Endorsement issued as provided in Procedural Rule P-9b(13)-- When the Loan Policy Aggregation Endorsement (Form T-16) is issued with a Loan Policy in accordance with Procedural Rule P-9b(13), the premium for the Loan Policy Aggregation Endorsement (Form T-16) shall be \$25.00.~~

K. ~~k. Planned Unit Development Endorsement issued as provided in Procedural Rule P-9b(14)-- When the Planned Unit Development Endorsement (Form T-17):~~

1. ~~The premium is issued with a Loan Policy in accordance with-- Procedural Rule P-9b(14), the premium for the endorsement-- Planned Unit Development Endorsement (Form T-17) shall be \$25.00.~~

2. ~~If the Company issues the~~ However, when multiple Planned Unit Development Endorsements (Form T-17) on two or more are issued simultaneously on multiple Loan Policies ~~title insurance policies which are issued simultaneously covering the same land, then the premium for the first endorsement is \$25.00 and the premium for additional endorsements is \$0.00. Planned Unit Development Endorsement (Form T-17) shall be charged only for one Planned Unit Development Endorsement (Form T-17).~~

L. ~~I. The premium for the Condominium Endorsement (Form T-28) is as provided in Procedural Rule P-9b(15). When the Condominium Endorsement (Form T-28) is issued with a Loan Policy in accordance with Procedural Rule P-9b(15), the premium for each Condominium Endorsement (Form T-28) shall be \$0.00.~~

ITEM 2023-2
RATE RULE R -15.b

CITATION

Section III, Rate Rule R-15 Owner's Policy Endorsements of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

R-15. Owner's Policy Endorsements -

- a. **Increased Value** – When requested by the Insured, and upon compliance with Rule P-9a(2), endorsement form T-34 shall be attached to the Owner's Policy upon payment of a premium for such endorsement which shall be the Basic Rate computed on the new amount less the premium paid for the Owner's Policy and any form T-34 endorsements previously attached thereto, but in no event less than the then applicable minimum policy Basic Premium Rate.

- b. **Increase in Coverage During Construction (Form T-3, Endorsement Instruction VIII)** – ~~A premium of \$50.00 shall be charged for each T-3 Endorsement issued according to Instruction VIII, as provided in Rule P-9a(3).~~
 1. If the land in the policy is Residential Real Property, the premium is \$50.00.
 2. If the land in the policy is not Residential Real Property, the premium is \$100.00.

- c. **Manufactured Housing Unit** - A premium of \$50.00 shall be charged for each T-31.1 Endorsement issued, as provided in Rule P-9a(4).

ITEM 2023-3
RATE RULE R-30

CITATION

Section III, Rate Rule R-30 Premium for Access Endorsement (T-23) of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

R-30. Premium for Access Endorsement (T-23)

~~When The premium for the Access Endorsement (T-23) is issued with a Mortgagee Policy of Title Insurance (T-2) or Owner Policy (T-1) in accordance with Rule P-54, the premium for the Access Endorsement (T-23) shall be \$100 for each endorsement policy.~~

**ITEM 2023-4
FORM T-1R**

CITATION

Section II, Insuring Forms, Form T-1R: Residential Owner's Policy of Title Insurance One-to-Four Family Residences of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

Form T-1R: Residential Owner's Policy of Title Insurance One-to-Four Family Residences

BLANK TITLE INSURANCE COMPANY

TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE

ONE-TO-FOUR FAMILY RESIDENCES (T-1R)

**OWNER'S INFORMATION SHEET
(no change)**

**TABLE OF CONTENTS
(no change)**

OWNER'S COVERAGE STATEMENT

(no change)

SCHEDULE A

(no change)

SCHEDULE B

EXCEPTIONS

We do not cover loss, costs, attorneys' fees and expenses resulting from:

1. (no change)
2. (no change)
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. ~~(Applies to the Owner's Policy only.)~~
4. (no change)
5. (no change)
6. (no change)

EXCLUSIONS

(no change)

CONDITIONS

(no change)

**ITEM 2023-5
FORM T-16**

CITATION

Section II, Insuring Forms, Form T-16: Loan Policy Aggregation Endorsement of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

LOAN POLICY AGGREGATION - STATE LIMITS - ENDORSEMENT FORM T-16

ATTACHED TO POLICY NO. _____

Issued By

BLANK TITLE INSURANCE COMPANY

File Number: _____

1. The following policies are issued in conjunction with one another:

Policy Number:	County:	State:	Amount of Insurance:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

~~Notwithstanding the provisions of Section 8(a)(i) of the Conditions of this policy, the Amount of Insurance available to cover the Company's liability for loss or damage under this policy at the time of payment of loss hereunder shall be the aggregate of the Amount of Insurance under this policy and the other policies identified above. At no time shall the Amount of Insurance under this policy and the other policies identified~~

above exceed in the aggregate \$_____. Subject to the provisions of Section 10(a) of the Conditions of the policies, all payments made by the Company under this policy or any of the other policies identified above, except the payments made for costs, attorney's fees and expenses, shall reduce the aggregate Amount of Insurance by the amount of the payment.

[At no time shall the Amount of Insurance under this policy when aggregated with the other policies above exceed, in Texas, the amount shown as follows: \$.]_____

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

2. The Amount of Insurance available to cover the Company's liability for loss or damage under this policy at the time of payment of loss shall be the Aggregate Amount of Insurance defined in Section 3 of this endorsement.

3. The Aggregate Amount of Insurance under this policy is either:

a. \$_____ ; or

b. If the Land is located in one of the states identified in this subsection, then the Aggregate Amount of Insurance is restricted to the amount shown below:

State:	Aggregate Amount of Insurance:
_____	_____
_____	_____
_____	_____

4. Section 7(a) of the Conditions of this policy is amended to read:

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

In case of a claim under this policy, the Company shall have 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 lesser of the value of the Title as insured or the Aggregate Amount of Insurance applicable under this policy at the date the claim was made by the Insured Claimant, or to purchase the Indebtedness, together with any cost, attorneys' fees, and any costs 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;
 - (ii) To pay or tender payment of the lesser of the value of the Title as insured at the date the claim was made by the Insured Claimant, or the Aggregate Amount of Insurance applicable under this policy, together with any cost, attorneys' fees, and any costs 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
 - (iii) 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.

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.

Upon the exercise by the Company of any of the options provided for in Section 7 (a) 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.

5. Section 8(a) and 8(b) of the Conditions of this policy are amended to read:

8. DETERMINATION AND EXTENT OF LIABILITY

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.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of:
 - (i) the Aggregate Amount of Insurance for the State where the Land is located,
 - (ii) the Indebtedness,
 - (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
 - (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.

- (b) If the Company pursues its rights under Section 3 or Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured, 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.

6. Section 10 of the Conditions of this policy is amended to read:

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the applicable Aggregate Amount of Insurance by the amount of the payment.
- (b) If this policy insures the Title to Land located in a state identified in Section 3. b. of this endorsement:
 - (i) all payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Aggregate Amount of Insurance by the amount of the payment; but
 - (ii) a payment made for loss or damage on Land insured in one of the policies identified in Section 1 on Land located outside this state shall not reduce the Aggregate Amount of Insurance in Section 3.b. of this endorsement until the Aggregate Amount of Insurance in Section 3.a. is reduced below the Aggregate Amount of Insurance in Section 3.b .
- (c) However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Aggregate Amount of Insurance afforded under this endorsement except to the extent that the payments reduce the Indebtedness.
- (d) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company under this policy, except as provided in Section 2 of these Conditions, but it will not reduce the Aggregate Amount of Insurance for the other policies identified in Section 1 of this endorsement.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, the Company has caused this endorsement to be issued and become valid when signed by an authorized officer or licensed agent of the Company.

Date:

By:

Authorized Countersignature

**ITEM 2023-6
FORM T-19**

CITATION

Section II, Insuring Forms, Form T-19, T-19.1, T-19.2 and Form T-19.3: Minerals and Surface Damage Endorsement of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (Form T-19)

ENDORSEMENT
Attached to Policy No. _____
Issued by
BLANK TITLE INSURANCE COMPANY

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. "Covenant" means a covenant, condition, limitation or restriction in a documentor instrument in effect at Date of Policy.
 - b. "Improvement" means an improvement, including any landscaping, lawn, shrubbery, or trees, affixed to either the Land or adjoining land that by law constitutes real property.
 - c. "Private Right" means (i) an option to purchase; (ii) a right of first refusal; (iii) a right of prior approval of a future purchaser or occupant; or (iv) a private charge or assessment.
3. The Company insures against loss or damage sustained by the Insured by reason of:

- a. A violation of a Covenant that:
 - i. divests, subordinates, or extinguishes the lien of the Insured Mortgage,
 - ii. results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage, or
 - iii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness;
 - b. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - c. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
 - d. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
 - e. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy that:
 - i. results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage, or
 - ii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness.
4. The Company insures against loss or damage sustained by reason of:

- a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy

unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or

- b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
 - c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - d. Damage to ~~Improvements an Improvement~~ located on the Land on or after Date of Policy, resulting from the future exercise of any a right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas, or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, from the description of the Land or excepted in Schedule B.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Paragraph 3.d, any Covenant relating to

environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;

- d. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
- e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT – OWNER’S POLICY
(Form T-19.1)

ENDORSEMENT

Attached to Policy No. _____

Issued By

BLANK TITLE INSURANCE COMPANY

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. “Covenant” means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
 - b. “Improvement” means a building, structure, road, walkway, driveway, or curb, affixed to either the Land or adjoining land and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
 - c. “Private Right” means (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - b. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the

Public Records, unless an exception in Schedule B of the policy identifies the violation;

- c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
- d. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured's Title.

4. The Company insures against loss or damage sustained by reason of:

- a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy

unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.;
or

- b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
- c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
- d. Damage to Improvements ~~an Improvement~~ located on the Land on

or after Date of Policy, resulting from the future exercise of any a right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, from the description of the Land or excepted in Schedule B.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Paragraph 3.c, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
 - d. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
 - e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____

Authorized Signatory

FORM T-19.2: Minerals and Surface Damage Endorsement

Minerals and Surface Damage Endorsement (T-19.2)

Attached to Policy No. _____; Applies to Parcel(s) _____

Issued by:

_____ TITLE INSURANCE COMPANY

Herein called the Company

The Company insures the insured against loss which the insured shall sustain by reason of damage to improvements (excluding crops, landscaping, lawn, lawns shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, or excepted in Schedule B. ~~This endorsement does not insure against loss resulting from subsidence.~~

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

1. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
2. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____
Authorized signatory

FORM T-19.3: Minerals and Surface Damage

Endorsement Minerals and Surface Damage

Endorsement (T-19.3)

Attached to Policy No. _____; Applies to Parcel(s) _____

Issued by:

_____ TITLE INSURANCE COMPANY

Here in called the Company

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, or excepted in Schedule B. ~~This endorsement does not insure against loss resulting from subsidence.~~

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

1. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
2. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____ Authorized signatory

ITEM 2023-7
FORM T-1, FORM T-2

CITATION

Section II, Insuring Forms, Form T-1: Owner's Policy of Title Insurance of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section II, Insuring Forms, Form T-2: Loan Policy of Title Insurance of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

OWNER'S POLICY OF TITLE INSURANCE (Form T-1)

...

COVERED RISKS

...

2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:

- (a) No Change
- (b) No Change
- (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. [This coverage is deleted by Schedule B. Exceptions From Coverage. Paragraph 2, unless a survey of the Land acceptable to Company is timely provided and the applicable premium is paid to amend the exception to "shortages in area."]
- (d) No Change

...

EXCLUSIONS FROM COVERAGE

No Change

SCHEDULE A

No Change

SCHEDULE B

...

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements. Covered Risk 2(c) is hereby deleted.

...

CONDITIONS

No Change

LOAN POLICY OF TITLE INSURANCE (Form T-2)

...

COVERED RISKS

No Change

EXCLUSIONS FROM COVERAGE

No Change

SCHEDULE A

No Change

SCHEDULE B

...

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements. Covered Risk 2(c) is hereby deleted.

[] Item 2 of Schedule B is hereby amended to read: "shortages in area".

...

CONDITIONS

No Change

**ITEM 2023-9
PROCEDURAL RULE P-20.C**

CITATION

Section IV, Procedural Rules, Procedural Rule P-20: Standard Exception Relating to Taxes of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

PROCEDURAL RULE P-20: Standard Exception Relating to Taxes

A. NO CHANGE

B. NO CHANGE

C. TAXES NOT YET DUE AND PAYABLE

~~In connection with the issuance of~~ On a Loan Policy (Form T-2) or Loan Title Policy Binder on Interim Construction Loan (Interim Binder) (Form T-13), upon payment of the premium in R-24, a Company may:

1. If satisfied that all taxes, standby fees, and assessments by any taxing unit authority for the year inserted in the standard tax exception ~~of the issuance of the Loan Policy or Interim Binder~~ are not yet due and payable, add the following to the form by checking the applicable box or inserting after the standard tax exception: "Company insures that standby fees, taxes and assessments by any taxing authority ~~for the year~~ are not yet due and payable for the year _____." ~~The addition may be made either by checking the appropriate box on a Form T-2 or by otherwise inserting the additional words into the form.~~

2. If a ~~Company determines~~ satisfied that some, but not all, of the taxes, standby fees, and assessments for the year inserted in the standard tax exception are not yet due and payable, ~~Company may add the following to the form after the standard tax exception:~~ "Company insures that standby fees, taxes and assessments by any only taxing authority for the year _____ _____ are not yet due and payable, as to [insert name of applicable taxing unit or units] authority/authorities ~~only~~ are not yet due and payable for the year _____."

ITEM 2023-11
PROCEDURAL RULE P-57.A

CITATION

Section IV, Procedural Rules of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

Proposed Revisions to Part A.

P-57. ADDITIONAL INSURED ENDORSEMENT (Form T-26)

A. **Living Trust, Acquisition of Interest under Existing Agreement or Estate Planning Vehicle Family Partnership or Family Corporation**

1. An "Estate Planning Vehicle" is a legal entity, a trust, or a trustee of a trust, if the entity or trust is established by the insured for the purpose of planning the disposition of the Insured's estate.

2. A Company may issue its Additional Insured Endorsement (Form T-26) to an Owner's Policy of Title Insurance (Form T-1 or Form T-1R) by naming a person as an additional insured in the endorsement, if:
 - a.1. its underwriting requirements are met; and

 2. ~~it is paid the premium, if any, prescribed in Rate Rule R-33;~~
~~and~~

 - b.3. the additional insured is:
 - i.(a) an Estate Planning Vehicle to which the insured

~~conveys the title after Policy Date; the trustee or successor trustee of a Living Trust to whom the insured transfers the title after Policy Date, and/or the beneficiaries of the Living Trust, or~~

~~ii.(b) a distributee who has acquired an interest according to the terms of an Estate Planning Vehicle; any partner, member or stockholder that acquires the interests of the other owners of the insured in accordance with the terms and provisions of a written agreement in effect at Date of Policy, or~~

~~iii. a family partnership, limited liability company, or corporation or family corporation, solely composed of or owned by members of the Insured's family and the Insured; or insured.~~

~~iv. any partner, member or stockholder that acquires the interests of the other owners of the Insured in accordance with the terms and provisions of a written agreement in effect at Date of Policy.~~

3. The endorsement must be requested by the additional insured.

4. In the case of paragraphs 2.b.i-iii above,

a. the request for the endorsement must be made within 90 days after the document conveying title to the additional insured is recorded; and

b. the document conveying title to the additional insured must contain a warranty of title.

Any matter covered in the Additional Insured Endorsement (Form T-26) may be

insured only by ~~the use of~~ this endorsement.

B. NO CHANGE

ITEM 2023-13
Form T-47 & T-47.1 (New)
PROCEDURAL RULE P-2 f. (New)

CITATION

Section V, Exhibits and Forms, Form T-47: Residential Real Property Affidavit of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section II, Insuring Forms of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

T-47 RESIDENTIAL REAL PROPERTY AFFIDAVIT
(~~May be Modified as Appropriate for Commercial Transactions~~)

Date: _____ GF No. _____

Name of Affiant(s): _____

Address of Affiant(s): _____

Description of Property: _____

County: _____, Texas

Date of Survey: _____

"Title Company" as used herein is the Title Insurance Company whose policy of title insurance is issued in reliance upon the statements contained herein.

Before me, the undersigned notary for the State of _____, personally appeared Affiant(s) who after by me being duly sworn, stated:

1. ~~We are the owners~~ I am an owner of the Property. (Or state other basis for knowledge by Affiant(s) of the Property, such as lease, management, neighbor, etc. For example, "Affiant is the manager of the Property for the record title owners.")

2. ~~We are~~ I am familiar with the property and the improvements located on the Property.

3. ~~We are~~ I am closing a transaction requiring title insurance and the proposed insured owner or lender has requested area and boundary coverage in the title insurance policy(ies) to be issued in this transaction. I ~~We~~ understand that the Title Company may make exceptions to the coverage of the title insurance as Title Company may deem appropriate. ~~I We~~ understand that the owner of the property, if the current transaction is a sale, may request a similar amendment to the area and boundary coverage in the Owner's Policy of Title Insurance upon payment of the promulgated premium.
4. To the best of ~~my our~~ actual knowledge and belief, since _____Date of the Survey, there have been no:
- a. construction projects such as new structures, additional buildings, rooms, garages, swimming pools, deckings, or other permanent improvements or fixtures;
 - b. changes in the location of boundary fences or boundary walls;
 - c. construction projects on immediately adjoining property(ies) which construction occurred on or near the boundary of ~~encroach on~~ the Property;
 - d. conveyances, replattings, easement grants and/or easement dedications(such as a utility line) by any party affecting the Property.

EXCEPT for the following (If None, Insert "None" Below):

5. ~~We~~ I understand that Title Company is relying on the truthfulness of the statements made in this Affidavit ~~affidavit~~ to provide the area and boundary coverage and upon the evidence of the existing real property survey of the Property. This Affidavit is not made for the benefit of any other parties and this Affidavit does not constitute a warranty or guarantee of the location of improvements.

6. ~~We~~ I understand that ~~we~~ I have no liability to Title Company that will issue the ~~policy(ies)~~ should the information in this Affidavit be incorrect other than information that ~~we~~ I personally know to be incorrect and which ~~we~~ I do not disclose to the Title Company.

<u>I declare under penalty of perjury that the foregoing is true and correct.</u>	<u>I declare under penalty of perjury that the foregoing is true and correct.</u>
<u>Signed:</u>	<u>Signed:</u>
<u>Affiant</u>	<u>Affiant</u>

SWORN AND SUBSCRIBED this _____ day of _____, 20____.

Notary Public

T-47.1 RESIDENTIAL REAL PROPERTY DECLARATION
IN LIEU OF AFFIDAVIT

(Provided in accordance with Texas Civil Practice and Remedies Code Section 132.001)

Date: _____

GF No. _____

Declarant: _____

Description of Property: _____

County _____, Texas

Date of Survey: _____

"Title Company" as used herein is the Title Insurance Company whose policy of title insurance is issued in reliance upon the statements contained herein.

The undersigned declares as follows:

1. I am an owner of the Property. (Or state other basis for knowledge of the Property, such as lease, management, neighbor, etc. For example, "Declarant is the manager of the Property for the record title owners.")

2. I am familiar with the property and the improvements located on the Property.

3. I am closing a transaction requiring title insurance and the proposed insured owner or lender has requested area and boundary coverage in the title insurance policy(ies) to be issued in this transaction. I understand that the Title Company may make exceptions to the coverage of the title insurance as Title Company may deem appropriate. I understand that the owner of the property, if the current transaction is a sale, may request a similar amendment to the area and boundary coverage in the Owner's Policy of Title Insurance upon payment of the promulgated premium.

4. To the best of my actual knowledge and belief, since the Date of the Survey, there have been no:
 - a. construction projects such as new structures, additional buildings,

rooms, garages, swimming pools, deckings, or other permanent improvements or fixtures;

- b. changes in the location of boundary fences or boundary walls;
- c. construction projects on immediately adjoining property(ies) which construction occurred on or near the boundary of the Property;
- d. conveyances, replattings, easement grants and/or easement dedications (such as a utility line) by any party affecting the Property.

EXCEPT for the following (If None, Insert "None" Below): -

- 5. I understand that Title Company is relying on the truthfulness of the statements made in this Declaration to provide the area and boundary coverage and upon the evidence of the existing real property survey of the Property. This Declaration is not made for the benefit of any other parties and does not constitute a warranty or guarantee of the location of improvements.
- 6. I understand that I have no liability to Title Company should the information in this Declaration be incorrect other than information that I personally know to be incorrect and which I do not disclose to the Title Company. -
- 7. ALL STATEMENTS IN THIS DECLARATION ARE TRUE TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY PERSON INTENTIONALLY MAKING A FALSE STATEMENT MAY BE LIABLE FOR ACTUAL AND/OR PUNITIVE DAMAGES.

<p>My name is _____ . My date of birth is _____ , and my address is _____ .</p> <p><u>I declare under penalty of perjury that the foregoing is true and correct.</u></p> <p>Executed in _____ County, State of _____ , on the _____ day of _____ , _____ .</p> <p><u>Signed:</u></p>	<p>My name is _____ . My date of birth is _____ , and my address is _____ .</p> <p><u>I declare under penalty of perjury that the foregoing is true and correct.</u></p> <p>Executed in _____ County, State of _____ , on the _____ day of _____ , _____ .</p> <p><u>Signed:</u></p>
<p>_____</p> <p><u>Declarant</u></p>	<p>_____</p> <p><u>Declarant</u></p>

P-2. Amendment of Exception to Area and Boundaries

...

- f. An unsworn declaration (Form T-47.1) may be used in lieu of a T-47 affidavit, in accordance with Texas Civil Practice and Remedies Code Section 132.001.

ITEM 2023-16
PROCEDURAL RULE P-9.b(8)
RATE RULE R-11
FORM T-35

CITATION

Section IV, Procedural Rules, P-9: Endorsement of Owner's or Loan Policies, of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section III, Rate Rules, R-11: Endorsement of Owner's or Loan Policies, of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section II, Insuring Forms, T-35: Future Advance/Revolving Credit Endorsement, of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

P-9. ENDORSEMENT OF OWNER'S OR LOAN POLICIES

...

b. Loan Policy Owner's Policy

...

- (8) ~~Future Advance/Revolving Credit Endorsement (Form T-35) – Upon request, a Company may issue the Revolving Credit Endorsement (Form T-35) when:—When~~
- a. a Loan Policy insures ~~is to be issued to insure~~ the validity and priority of a lien created by a mortgage or deed of trust ~~that secures~~ securing a revolving credit promissory note or ~~other such~~ similar indebtedness where:
 - i. ~~(a)~~ a line of credit of a specific amount is extended to a borrower for the term of indebtedness,
 - ii. ~~(b)~~ the amount of indebtedness ~~actually~~ outstanding at any ~~particular~~ time may fluctuate ~~is subject to fluctuations~~ up or down from time to time over the term of the indebtedness due to future disbursements ~~of loan proceeds and/or~~ or future repayments thereof ~~from time to time over the term of the indebtedness of loan proceeds~~

(which disbursements and repayments are contemplated by the parties at the time the indebtedness is created), and

iii. ~~(e) repayments by the borrower neither reduce nor increase the original line of credit extended nor affect the borrower's liability to repay the principal sum of all outstanding disbursements plus all accrued interest; thereon, the Company upon request and compliance with Rate Rule R-11.f shall attach to said Loan Policy the Future Advance/Revolving Credit Endorsement (Form T-35).~~

b. the mortgage or deed of trust creating the lien to be insured discloses to the satisfaction of the Company that the indebtedness secured is a revolving type of indebtedness as set forth above; and

~~The Future Advance/Revolving Credit Endorsement shall be available only where the mortgagor deed of trust creating the lien to be insured discloses to the satisfaction of the Company that the indebtedness secured thereby is a revolving type of indebtedness as set forth above.~~

c. the Loan Policy does not include the cost of immediately contemplated improvements or contain exceptions required under Procedural Rule P-8.

...

R-11. Loan Policy Endorsements

Applicable only as provided in Procedural Rule P-9.

...

~~F. f. Future Advance/Revolving Credit Endorsement issued as provided in Procedural Rule P-9.b(8)—A premium of \$50.00 shall be charged for the issuance of each Future Advance/Revolving Credit Endorsement (Form T-35) provided for in Procedural Rule P-9.b(8). Revolving Credit Endorsement—The premium for the Revolving Credit Endorsement (Form T-35) is \$50.00.~~

...

~~FUTURE ADVANCE/REVOLVING CREDIT ENDORSEMENT (T-35)~~

ISSUED BY

...

ITEM 2023-18
FORM T-19.4 (New)
PROCEDURAL RULE P-50.2 (New)
RATE RULE R-29.2 (New)

CITATION

Section II, Insuring Forms of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section III, Rate Rules of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section IV, Procedural Rules of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

ENERGY PROJECT – MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.4)

Attached to Policy No. _____ ; Applies to Parcel(s) _____

Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED COMPANY

The Company insures the insured against loss which the insured shall sustain by reason of damage to, enforced removal, or alteration of any Severable Improvements located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted from the description of the Land, excepted or excluded on Schedule A, Item 2, or excepted in Schedule B. As used in this endorsement, "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

This endorsement does not insure against loss resulting from:

- a. contamination, explosion, fire, vibration, fracturing, earthquake, flood or subsidence;
- b. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances; or
- c. the exercise of the rights described in: [Insert "None" or identify the interest excepted from the description of the Land in Schedule A and/or specifically excepted in Schedule B that is intended to be excluded from coverage].

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____
Authorized signatory

RATE RULE R-29.2

R-29.2. Premium for Energy Project – Minerals and Surface Damage Endorsement (Form T-19.4)

The premium for the Energy Project–Minerals and Surface Damage Endorsement (Form T-19.4) is 5 percent of the Basic Premium Rate for a single issue policy for the policy Amount.

P-50.2

P-50.2. Energy Project – Minerals and Surface Damage Endorsement (Form T-19.4)

- A. A Company may issue the Energy Project – Minerals and Surface Damage Endorsement (Form T-19.4) to an Owner’s Policy or Loan Policy upon request of the insured if:
1. The policy includes an exclusion or an exception regarding minerals;
 2. The endorsement is issued simultaneously with an Energy Project – Leasehold/Easement Owner’s Policy Endorsement (T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (T-55.1), Energy Project – Leasehold Owner’s Policy Endorsement (T-55.2), Energy Project – Leasehold Loan Policy Endorsement (T-55.3), Energy Project – Fee Estate Owner’s Policy Endorsement (T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (T-55.5); and
 3. Its underwriting requirements are met.
- B. Subparagraph c. of the endorsement must be completed according to the instructions in the form by inserting the word “None” or by identifying the interest excepted from the description of the Land in Schedule A and/or specifically excepted in Schedule B that is intended to be excluded from coverage.
- C. Any matter covered by the Energy Project – Minerals and Surface Damage Endorsement (Form T-19.4) may be insured only by the use of this endorsement, except that coverage regarding minerals may also be insured by the Restrictions, Encroachments, Minerals Endorsements (Forms T-19 or Form T-19.1) or the Minerals and Surface Damage Endorsements (Forms T-19.2 or Form T-19.3).

ITEM 2023-21
MINIMUM ESCROW ACCOUNTING PROCEDURES AND INTERNAL CONTROLS

CITATION

Section V, Minimum Escrow Accounting Procedures and Internal Controls, Internal Control No. 5 of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

ISSUE AND JUSTIFICATION

To increase efficiency and lower transaction costs, TDI is proposing to amend Internal Control No. 5 to allow for electronic signatures on escrow checks. Authorized signatories will be able to sign checks without having to be physically present where they are issued.

PROPOSED REVISIONS

Section V, Minimum Escrow Accounting Procedures and Internal Controls, Internal Control No. 5

5. Two signatures are required on all escrow checks, but this requirement is waived if the escrow agent has four or fewer employees. Only one signature must be that of a licensed escrow officer, but this requirement is waived if the escrow agent is a sole proprietorship and the owner or individual partner signs the escrow check. Escrow checks may be signed electronically as permitted by Texas Insurance Code Chapter 35 and Texas Business and Commerce Code Chapter 322.

ITEM 2023-22
Form PC150, Exhibit A

CITATION

The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas, Section V, Exhibits and Forms, Minimum Standards, Specific Instructions and Report Forms for Audit of Trust Funds, Independent Auditor's Report Exhibit A.

ISSUE AND JUSTIFICATION

The auditor's opinion letter (Exhibit A) for the audit of trust funds has not been updated as a promulgated form since March 1, 1990. Current state standards from the Texas State Board of Public Accountancy have changed from the last time Exhibit A was amended. The current promulgated form does not meet current state standards. The accounting industry has asked TDI to update form Exhibit A to help them meet their state requirements.



Texas Department of Insurance
**Financial Regulation Division – Title Examinations Property & Casualty
Program – Title Division**, Mail Code PC-PCL 106-2T
333 Guadalupe □
P. O. Box 12030 149104,
Austin, Texas 78711-2030 78714-9104
512-676-6880 512-322-3482 telephone □
512-305-7426 fax □
Email: titleexaminations@tdi.texas.gov
www.tdi.texas.gov

EXHIBIT A
INDEPENDENT AUDITOR'S REPORT

To: _____

Opinion

We have audited the accompanying schedule of Statement of Assets and Liabilities of Trust (Escrow) Fund Accounts of _____ as of _____, prepared from the accounts maintained at your office at _____ and the related notes.

This financial statement is the responsibility of the company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with generally accepted auditing standards. those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule of the Statement of Assets and Liabilities of Trust

(Escrow) Fund Accounts referred to above presents fairly, in all material respects, the assets and liabilities of ~~such accounts handled by _____~~, as of _____, ~~in accordance conformity~~ with accounting principles generally accepted in the United States of America. ~~generally accepted accounting principles.~~

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are required to be independent of _____ and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Institution

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

In preparing the schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about _____'s ability to continue as a going concern within one year after the date that the schedule is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and

to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of _____'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.
- Conclude whether, in our judgment, there are conditions or events,

considered in the aggregate, that raise substantial doubt period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

~~Our audit has been made for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information contained in Exhibits C through F, inclusive, and Exhibit H of this report are presented as additional information and is not a required part of the basic financial statement. Such information has been subjected to the audit procedures applied in the examination of the basic statement of assets and liabilities, and is fairly stated in all material respects in relation to the basic statement of assets and liabilities, taken as a whole.~~

[Firm's Signature] (Signature)

(Date)

[Location of Firm (City, State Where Auditor's Report is Issued)]

[Report Date]

ITEM 2023-23
Form T-11 Policy of Title Insurance (USA)

CITATION

Section II, Insuring Forms, Form T-11 Policy of Title Insurance (USA).

ISSUE AND JUSTIFICATION

Insuring form T-11 *Policy of Title Insurance (USA)* has a clerical error where the last item on a numbered list does not have its corresponding number. This item will only make the nonsubstantive correction to add the missing number.

PROPOSED REVISIONS

POLICY OF TITLE INSURANCE (USA)

ISSUED BY
_____ TITLE INSURANCE COMPANY

Policy Number _____ Amount \$ _____

_____, a _____ Corporation, herein called the
Company, for a valuable consideration _____ Hereby
Insures _____

THE UNITED STATES OF AMERICA

hereinafter called the Insured, against loss or damage not exceeding _____
Dollars, together with costs and expenses which the Company may become
obligated to pay as provided in the Conditions and Stipulations hereof, which the
Insured shall sustain by reason of:

any defect in or lien or encumbrance on the title to the estate or interest covered
hereby in the land described or referred to in Schedule A, existing at the date hereof,
not shown or referred to in Schedule B or excluded from coverage by the General

Exceptions;

all subject, however, to the provisions of Schedules A and B and to the General Exceptions and to the Conditions and Stipulations hereto annexed; all as of the _____ day of _____, 20__, the effective date of this policy.

In Witness Whereof, _____ Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Countersigned: _____ Title Insurance Company

By _____
President

By _____
Secretary

SCHEDULE A

1. The estate or interest in the land described or referred to in this schedule covered by this policy is: (Will be shown as a fee or such lesser estate or interest owned by the person or party named in paragraph 2 of this Schedule.)
2. Title to the estate or interest covered by this policy at the date hereof is vested in:
3. The land referred to in this policy is situated in the County of _____, State of _____, and is described as follows:

(This phraseology may be modified to eliminate a specific description by including it by reference to the description as contained in a specific instrument.)

SCHEDULE B

This policy does not insure against loss or damage by reason of the following:

1. Current and delinquent standby fees and taxes and assessments as follows:
(List all taxing districts in which the land is situated and other taxing authorities that have jurisdiction over said land for the levy of taxes and standby fees; showing lien date for each and amounts for all such assessments that have not been paid on the date of the policy.)
2. (Continue with the Special Exceptions such as recorded easements, liens, etc., showing in addition the persons or parties holding such interests of record, and who the Company would require to convey such interest or who would be the proper parties defendant in a condemnation proceeding to eliminate such matter.

The write-up could be substantially as follows:

An easement for road purposes conveyed to ____, by deed recorded _____.)

GENERAL EXCEPTIONS Governmental Powers

1. Because of limitations imposed by law on ownership and use of property, or which arise from governmental powers, this policy does not insure against:
 - (a) consequences of the future exercise or enforcement or attempted exercise or enforcement of police power, bankruptcy power, or power of eminent domain, under any existing or future law or governmental regulation;
 - (b) consequences of any law, ordinance or governmental regulation, now or hereafter in force, (including building and zoning ordinances) limiting or regulating the use or enjoyment of the property, estate or interest described in Schedule A, or the character, size, use or location of any improvement now or hereafter erected on said property.

Matters Not of Record

2. The following matters which are not of record at the date of this policy are not insured against:
 - (a) rights or claims of parties in possession not shown of record;

- (b) questions of survey;
- (c) easements, claims of easement or mechanics' liens where no notice thereof appears of record; and
- (d) conveyances, agreements, defects, liens or encumbrances, if any, where no notice thereof appears of record; provided, however, the provisions of this subparagraph 2(d) shall not apply if title to said estate or interest is vested in the United States of America on the date hereof.

Matters Subsequent to Date of Policy

- 3. This policy does not insure against loss or damage by reason of defects, liens or encumbrances created subsequent to the date hereof.

Refusal to Purchase

- 4. This policy does not insure against loss or damage by reason of the refusal of any person to purchase, lease or lend money on the property, estate or interest described in Schedule A.

Creditors' Rights

- 5. This policy does not insure against any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

Notice of Actions.

1. If any action or proceeding shall be begun or defense asserted which may result in an adverse judgment or decree resulting in a loss for which this Company is liable under this policy, notice in writing of such action or proceeding or defense shall be given by the Attorney General to this Company within 90 days after notice of such action or proceeding or defense has been received by the Attorney General; and upon failure to give such notice then all liability of this Company with respect to the defect, claim, lien or encumbrance asserted or enforced in such action or proceeding shall terminate. Failure to give notice, however, shall not prejudice the rights of the party insured, (1) if the party insured shall not be a party to such action or proceeding, or (2) if such party, being a party to such action or proceeding be neither served with summons therein nor have actual notice of such action or proceedings, or (3) if this Company shall not be prejudiced by failure of the Attorney General to give such notice.

Notices of Writs.

2. In case knowledge shall come to the Attorney General of the issuance or service of any writ of execution, attachment or other process to enforce any judgment, order or decree adversely affecting the title, estate or interest insured said party shall notify this Company thereof in writing within 90 days from the date of such knowledge; and upon a failure to do so, then all liability of this Company in consequence of such judgment, order or decree or matter thereby adjudicated shall terminate unless this Company shall not be prejudiced by reason of such failure to notify.

Defense of Claims.

3. This Company agrees, but only at the election and request of the Attorney General of the United States, to defend at its own cost and expense the title, estate or interest hereby insured in all actions or other proceedings which are founded upon or in which it is asserted by way of defense, a defect, claim, lien or encumbrance against which this policy insured, provided, however, that the request to defend is given within sufficient time to permit the Company to answer or otherwise participate in the proceeding. If any action or proceeding shall be begun or defense be asserted in any action or proceeding affecting or relating to the title, estate or interest hereby insured and the Attorney General elects to defend at the Government's expense, the Company shall upon request, cooperate and render all reasonable assistance in the prosecution or defense of

such proceeding and in prosecuting appeals.

If the Attorney General shall fail to request and permit the Company to defend, then all liability of the Company with respect to the defect, claim, lien or encumbrance asserted in such action or proceeding shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest such defense and actions as it shall conceive should be taken and the Attorney General shall present the defenses and take the actions of which the Company shall advise him in writing, then the liability of the Company shall continue; but in any event the Company shall permit the Attorney General without cost or expense to use the information and facilities of the Company for all purposes which he thinks necessary or incidental to the defending of any such action or proceeding or any claim asserted by way of defense therein and to the prosecuting of an appeal.

Compromise of Adverse Claims.

4. Any compromise, settlement or discharge by the United States or its duly authorized representative of an adverse claim, without the consent of this Company shall bar any claim against the Company hereunder; provided, however, that the Attorney General may at his election submit to the issuing company for approval or disapproval any proposed compromise, settlement or discharge of any adverse claim and in the event of the consent of the issuing company to the proposed compromise, settlement or discharge it shall be liable for the payment of the full amount paid.

Statement of Loss.

5. A statement in writing of any loss or damage sustained by the party insured, and for which it is claimed this Company is liable under this policy, shall be furnished by the Attorney General to this Company within 90 days after said party has notice of such loss or damage and no right of action shall accrue under this policy until 30 days after such statement shall have been furnished. No recovery shall be had under this policy unless suit be brought thereon within one year after said period of 30 days. Failure to furnish such statement of loss or to bring such suit within the times specified shall not affect the Company's liability under this policy unless this company has been prejudiced by reason of such failure to furnish a statement of loss or to bring such suit.

Policy Reduced by Payments of Loss.

6. All payments of loss under this policy shall reduce the amount of this policy pro

tanto.

Amendment of Policy.

7. No provision or condition of this policy can be waived or changed except by writing endorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, and Assistant Secretary or other validating officer of the Company.

Notices, Where Sent.

8. All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at (insert proper address).

ITEM 2023-24
PC-417 TEXAS TITLE INSURANCE AGENT'S MINIMUM CAPITALIZATION BOND

CITATION

Section VI, Administrative Rules, Section II, Form PC-417 Texas Title Insurance Agent's Minimum Capitalization Bond.

ISSUE AND JUSTIFICATION

Form PC-417 has an out-of-date address that needs to be updated. There are no other changes being made to the form.

PROPOSED REVISIONS

TEXAS TITLE INSURANCE AGENT'S MINIMUM CAPITALIZATION BOND

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS;

That subject to the terms, conditions and limitations of this bond, _____, as Principal, whose address is _____ and _____, as Surety, being a surety company authorized to do business in the State of Texas, are held and firmly bound unto the Commissioner of Insurance in the sum of _____, (bond amount determined by §2651.012(c)(1) - (4) of the Insurance Code) payable to the Texas Department of Insurance, the payment of which Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

The conditions of the above obligations are such that:

WHEREAS, the above-named Principal is licensed by the Texas Department of Insurance as a Title Insurance Agent and engaged in the business of a Title Insurance Agent, in accordance with the provisions of "The Texas Title Insurance Act" of the State of Texas.

NOW, THEREFORE, the conditions of this obligation are such that the Principal shall pay

to the Commissioner of Insurance such pecuniary losses as a result of the above bound Principal being not in compliance with the minimum capitalization standards set forth in Insurance Code §2651.012 declared impaired, then this obligation shall be null and void, otherwise to remain in full force and effect, subject to the following:

1. This bond shall be effective as of the beginning of the _____ day of _____, 20____, and shall continue until liability hereunder is terminated as provided herein below.
2. The Surety may at any time cancel this bond by giving sixty (60) days' written notice to the Texas Department of Insurance by certified mail at the following address: Texas Department of Insurance, Title Licensing, P.O. Box 12030 MC: CO-TL Property and Casualty Lines, P.O. Box 149104, Austin, Texas 78711-2030 78714-9104 or by email TDI-TitleLicensing@tdi.texas.gov. The Surety, however, remains liable for any obligations under this bond committed prior to the expiration of such sixty (60) day period.
3. In no event shall the aggregate liability of the Surety under this bond exceed the penal sum of this bond.

IN WITNESS WHEREOF said Principal and Surety have executed this bond this _____ day of _____, 20____, to be effective on the _____ day of _____, 20____.

Principal

By: _____

Address: _____

Surety

By: _____

Address: _____

ITEM 2023-25
FINT 8, FINT 9, FINT 10, FINT 129, AND FINT 143
TITLE LICENSING FORMS

CITATION

Section VI, Administrative Rules, Title Licensing Forms, FINT 8, Title insurance licensing biographical information; FINT 9, Escrow officer appointment; FINT 10, Title Insurance Agent or Direct Operation Appointment; FINT 129, Title insurance agent or direct operation change request form; FINT 143, Application for title insurance agent or direct operation license.

ISSUE AND JUSTIFICATION

The above-referenced licensing forms have a notary requirement that is unnecessary and burdensome for licensees. The Texas Civil Practice and Remedies Code Section 132.001 allows for an alternative form of a sworn statement without requiring notarization. TDI is amending these forms to remove the notary requirement and replace it with an "unsworn declaration" meeting the requirements of Section 132.001. Additionally, some addresses have been updated on the forms.

PROPOSED REVISIONS

(See following pages.)

Title insurance licensing biographical information

When sending this form with an application for a title insurance agent or direct operation license (Form FINT143), fill out this form for each individual listed for your business type:

- For a sole proprietorship, the sole proprietor and each designated on-site manager.
- For a partnership, each designated on-site manager and partner who is in control.
- For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is in control of the entity.
- Each controlling person of an entity or partnership who is in control of the entity or partnership applicant.

► Tell us about the title insurance agent or direct operation you are filling out this form for:

Name of the title insurance agent or direct operation _____

TDI license number (if they have one) _____

Firm ID number (if they have one) _____

Federal tax identification number _____

► Tell us about yourself:

Section 1: Questions about name, address, and position

Name _____

First name _____ Middle name _____ Last name _____ Suffix _____

Social Security number _____ **Date of birth** ____/____/____

Email _____

Home physical address

Street address or route _____

City _____ State _____ Zip _____

Positions you hold related to this title insurance agent or direct operation

(check all that apply)

Shareholder Member Partner LLC Manager

Officer Director Designated on-site manager

During the past 5 years, were you a manager (or comparable position) of a Texas title insurance agent or direct operation?

If yes:

Attach a resume that shows proof that you were a manager (or comparable position) of a Texas title insurance agent or direct operation.

 If no:

Attach a certificate of completion for a management training course, as outlined in Procedural Rule P-28.IV.A of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html).

Section 2: Questions about legal offenses

When answering the following question: (1) include any offense filed against you in Texas, any other state, or by the federal government; and (2) do not include traffic violations and first offense DWI (driving while intoxicated or under the influence).

- | | | |
|---|------------------------------|-----------------------------|
| 1. Do you have pending misdemeanor or felony charges (by indictment, information, or any other instrument)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Have you been convicted of any misdemeanor or felony offense? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Have you had adjudication deferred on any misdemeanor or felony charge or offense? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Have you served probation for any misdemeanor or felony offense? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

 If you answered "Yes" to any question in Section 2, attach one of the following:

A certified copy of: (1) the indictment or charging document, (2) conviction, (3) order deferring adjudication, and/or (4) judgment and conditions of probation from the appropriate jurisdiction. This is needed for each crime or offense.

or

A statement that explains that you already sent information about the crime or offense to the Texas Department of Insurance.

You also can send letters of recommendation and a resume with these attachments.

Section 3: Questions about licenses, litigation, and more

- | | | |
|---|------------------------------|-----------------------------|
| 5. Have you, or has any corporation, partnership, association, or firm in which you were a director, officer, shareholder, manager, member, or partner, been: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <ul style="list-style-type: none"> • The subject of an administrative or legal action filed by Texas or another state's insurance department or financial regulatory agency? | | |


or

- The subject of an action filed on behalf of any state or by the federal government based on alleged violations of state or federal insurance, securities, or financial regulatory laws?


- | | | |
|---|------------------------------|-----------------------------|
| 6. Have you had an agency contract or appointment canceled for cause such as a misrepresentation or misappropriation? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|------------------------------|-----------------------------|

- 7. Have you had a professional license, or an insurance license denied, suspended, or revoked in Texas or any other state? Yes No
- 8. Have you had any judgments against you held by an insurance company or insured person or business that are unpaid in whole or in part? Yes No
- 9. Have you had any judgments against you that involved a violation of the Texas Insurance Code or the insurance laws of any other state? Yes No
- 10. Have you ever applied for a letter of consent, as required under section 18 U.S.C. 1033(e), from any insurance regulatory official from Texas or any other state? Yes No

If yes:

 Attach a statement that gives details about the proceeding’s outcome and all supporting documents.

If no and you have been convicted of (1) any criminal felony involving dishonesty or breach of trust, or (2) an offense under section 18 U.S.C. 1033:

 Attach a signed and notarized request for written consent and all supporting documents.

 **If you answered “Yes” to any question in Section 3, attach a statement with dates and details.**

► **Fingerprint background check:**

Most people must: (1) get a fingerprint background check, and (2) send us a copy of the receipt showing that their fingerprints were sent to the Texas Department of Public Safety.

- To schedule a fingerprint appointment, go to [IdentoGO](#) or call 1-888-467-2080. Use service code 11G6QF when making the appointment.
- **You do not need to get a fingerprint background check if you live in Texas and either:** (1) have an active license or registration with TDI, or (2) had an escrow officer license that has not been canceled for more than 60 days.

If you have an active license or registration or had an escrow officer license, what is or was your license number? _____

To learn more about requirements, go to www.tdi.texas.gov/agent/escrow-officer-apply.html.

► **Sign here:**

I confirm that all statements, supporting forms, schedules, documents, and exhibits given for this license are true and correct.

Signature of person filling out this form

Date

► **Declaration:**

My name is _____, my date of birth is

_____, and my address is:

Street Address, City, State, Zip Code, and Country

I declare under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____.

on _____
Date

Declarant's Signature

► ~~To be filled out by a notary public:~~

State of _____

County of _____

~~Before me, notary public, on this day personally appeared~~ _____
Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.~~

(Personalized seal)

Notary public's signature

► Return this form and any attachments one of these ways:

Mail:

Agent and Adjuster Licensing
Texas Department of Insurance
PO Box 12030, MC: CO-AAL
Austin, Texas 78711-~~2030~~ 2069

Overnight mail or in person:

Agent and Adjuster Licensing
Texas Department of Insurance
1601 Congress Ave. 333 Guadalupe, MC: CO-AAL
Austin, Texas 78701

Email: TDI-TitleLicensing@tdi.texas.gov

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html,

(2) email TDI-TitleLicensing@tdi.texas.gov, (3) or call 512-676-6500.

► **Know your rights:**

You have the right to see and get facts we have about you: If you want to get information we have about you, you must ask us in writing. You might need to pay to get a copy of this information. You can send your letter or email one of these ways:

Email: OpenRecords@tdi.texas.gov

Fax: 512-490-1021

In person: 1601 Congress Ave, 333-Guadalupe,
Austin, Texas 78701

Mail: Texas Department of Insurance

Public Information Coordinator

PO Box 12030-149104 (Mail code GC-ORO
110-1C)

Austin, Texas 78711-2030-78714-9104

► **Your rights:** You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, P.O. Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, P.O. Box 12030 (mail code CO- AAL-CC), Austin, Texas 78711-2030.

Escrow officer appointment

Use this form to:

- Appoint an escrow officer.
- End an escrow officer appointment.

► Answer the following questions:

Title insurance agent or direct operation

Name _____

TDI license number _____


Firm ID number _____

Escrow officer

Name _____
 First Middle Last Suffix

TDI license number (if the escrow officer has one) _____

► Fill out this section to appoint an escrow officer

 You must send \$10 to the Texas Department of Insurance, unless this is an escrow officer's first appointment with an Application for escrow officer license (Form FINT132).

Employment status

- Escrow officer is an employee working directly for the title insurance agent or direct operation.
- Escrow officer is an attorney.
- Escrow officer is an employee of an attorney who is a Texas licensed escrow officer with the appointing title insurance agent or direct operation.

Name of attorney _____

TDI license number _____

Escrow officer bond or deposit. Choose only one.

Surety bond

Bonding company name _____

Bond number _____

Bond amount \$ _____

Letter of credit

Bank name of issuance _____

Letter number _____

Credit amount \$ _____

Cash deposit

Depository institution _____

Cash deposit receipt number _____

Deposit amount \$ _____

► **Fill out this section to end an escrow officer appointment**

The escrow officer's appointment will end on _____
Date

► **Sign here:**

I confirm that I am authorized to sign for the title insurance agent or direct operation and that all answers I gave on this form are true and correct.

Appointing official's signature Date

► **Declaration:**

My name is _____, my date of birth is _____

_____, and my address is:

Street Address, City, State, Zip Code, and Country

I declare under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____.

on _____
Date

Declarant's Signature

► ~~To be filled out by a notary public:~~

State of _____

County of _____

Before me, notary public, on this day personally appeared _____
Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and,
being by me first duly sworn, declared that the statements therein contained are true and
correct.~~

(Personalized seal)

Notary public's signature

► **Return this form and any attachments one of these ways:**

Mail:

Agent and Adjuster Licensing
Texas Department of Insurance
PO Box 12030, MC: CO-AAL
Austin, Texas 78711-2030 ~~2069~~

Overnight mail or in person:

Agent and Adjuster Licensing
Texas Department of Insurance
1601 Congress Ave. ~~333 Guadalupe~~, MC: CO-AAL
Austin, Texas 78701

Email:

TDI-TitleLicensing@tdi.texas.gov

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html,
(2) email TDI-TitleLicensing@tdi.texas.gov, (3) or call 512-676-6475.

► **Know your rights:**

Your rights: You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, P.O. Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, P.O. Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711-2030

Title Insurance Agent or Direct Operation Appointment

Use this form to:

- Register counties of operation for a new appointment or direct operation.
- Add counties of operation to an existing appointment or direct operation.
- Remove counties of operation from an existing appointment or direct operation.
- End a title insurance agent or direct operation appointment.

You might have to pay a fee: If this is not for (1) a title insurance agent's first appointment, or (2) a direct operation's original registration with an Application for title insurance agent or direct operation license (Form FINT143), you must send \$16 to the Texas Department of Insurance. TDI does not give refunds or allow fee transfers.

► Answer the following questions:**Title insurance company**

Company name _____

Company TDI license number _____

Title insurance agent or direct operation (if applicable)

Name _____

TDI license number (if they have one) _____

Firm ID number (if they have one) _____

The contact for this form

Contact name _____

Contact email _____

Contact phone number _____

► **Fill out this section to register counties of operation for a new appointment or direct operation**

- **If this is for a new appointment:** List all counties where the title insurance agent or direct operation may act for the title insurance company.
- **If this is for a new direct operation:** List all counties where the direct operation will write, sign, or deliver title insurance for the title insurance company.

List counties of operation you want to register for the new appointment or direction operation. If more space is needed, attach another page.

_____	_____	_____
_____	_____	_____

► **Fill out this section to add counties of operation to an existing appointment or direct operation**

- **If this is for an existing appointment:** List new counties where the title insurance agent or direct operation can act for the title insurance company.
- **If this is for an existing direct operation:** List new counties where the direct operation will write, sign, or deliver title insurance for the title insurance company.

List counties of operation you want to add to the existing appointment or direct operation. If more space is needed, attach another page.

_____	_____	_____
_____	_____	_____

► **Fill out this section to remove counties of operation from an existing appointment or direct operation**

- **If this is for an existing appointment:** List all counties where the title insurance agent or direct operation may no longer act for the title insurance company.
- **If this is for an existing direct operation:** List all counties where the direct operation will no longer write, sign, or deliver title insurance for the title insurance company.

List counties of operation you want to remove from the existing appointment or direct operation. If more space is needed, attach another page.

_____	_____	_____
_____	_____	_____

► **Fill out this section to end an appointment**

The title insurance agent or direct operation's appointment will end on _____
 Date

Is this appointment ending for cause such as a misrepresentation or misappropriation? Yes No

📎 If you answered "Yes," attach a statement with details.

An appointed title insurance agent must follow Administrative Rule D-1 of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html) if:

- A title insurance company is the only underwriter for the title insurance agent when the appointment ends.

and

- The title insurance agent is not seeking an appointment by another title insurance company.

► **As the contact for this form, I confirm that:**

- This form was filled out by a representative of the title insurance company.
- I am authorized to sign for the title insurance company.
- The title insurance agent or direct operation has a current Schedule D. (See Procedural Rule P-21 of the Title Insurance Basic Manual, www.tdi.texas.gov/title/titleman.html.)
- The title insurance agent or direct operation has a contract with the title insurance company, if applicable.
- The title insurance agent or direct operation has:
 - An abstract plant that meets the requirements of Procedural Rule P-12 of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html) and Texas Insurance Code 2501.004.
 - or
 - A subscription agreement for each county in which the title insurance agent or direct operation is appointed to transact business for the title insurance company.

► **Sign here:**

I confirm that all statements, supporting forms, schedules, documents, and exhibits given for this license are true and correct.

 Contact's signature

 Date

~~ You must get a notary public signature on this form. See next page. **~~**

► **Declaration:**

My name is _____, my date of birth is

_____, and my address is:

_____.

Street Address, City, State, Zip Code, and Country

I declare under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____.

on _____.

Date

Declarant's Signature

► **~~To be filled out by a notary public:~~**

State of _____

County of _____

~~Before me, notary public, on this day personally appeared _____~~

~~Appointing official's name~~

~~known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.~~

(Personalized seal)

Notary public's signature

► **Return this form and any attachments**

Mail:

Texas Department of Insurance Title
Licensing, Mail Code CO - AAL PO
Box 12030
Austin, Texas 78711-2030

Email:

TDI-TitleLicensing@tdi.texas.gov

► **Questions?**

Use our online question form at www.tdi.texas.gov/agent/question.html, email:
TDI-TitleLicensing@tdi.texas.gov, or call: 512-676-6475.

► **Your rights:**

You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, PO Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, PO Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711- 2030.

Title insurance agent or direct operation change request form

Use this document to report changes in: (1) license holder operations, including mergers, exchanges, and conversions; (2) ownership; (3) contact information or addresses; or (4) name or assumed name under Administrative Rules L-1.V.B.1 and L-3.V.B.1 of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html).

TDI license number _____

Firm ID number _____

Name as listed on the license _____

► **Fill out this section if there has been a change in ownership:**

List the shareholders, members, or partners, and their percentage of ownership after the changes were made.

When adding the percentages of ownership for all owners, there must a total of 100 percent. If more space is needed, attach another page.

_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership
_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership
_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership
_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership

- 📎 If any new shareholders, members, or partners are not individuals, attach an organizational chart showing ownership up to the ultimate controlling person.
- 📎 For changes that require a notice be sent to the Secretary of State, such as mergers, acquisitions, and conversions, attach a copy of the updated Secretary of State documents showing the change.
- 📎 For any new owners list above, attach a Title insurance licensing biographical information (Form FINT08) if they are one of the following individuals for your business type:
 - For a sole proprietorship, the sole proprietor and each designated on-site manager.
 - For a partnership, each designated on-site manager and partner who is in control.
 - For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
 - Each controlling person of an entity or partnership who is in control of the licensed entity or partnership.

► **Fill out this section for a change in officers, directors, limited liability company managers, or designated on-site managers for partnerships, limited liability companies, and corporations:**

List all current officers, directors, limited liability company managers, and designated on-site managers after the changes were made. If more space is needed, attach another page.

_____	_____	_____	_____
Name	Position title	Name	Position title
_____	_____	_____	_____
Name	Position title	Name	Position title
_____	_____	_____	_____
Name	Position title	Name	Position title

📎 For any new officers or directors listed above, attach a Title insurance licensing biographical information (Form FINT08) if they are one of the following individuals for your business type:

- For a sole proprietorship, the sole proprietor and each designated on-site manager.
- For a partnership, each designated on-site manager and partner who is in control.
- For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
- Each controlling person of an entity or partnership who is in control of the licensed entity or partnership.

► **Fill out all parts of this section if your contact information or address changed:**

Title insurance agents and direct operations must notify TDI within 30 days of an address change.

Mailing address

Street address, route, or PO Box _____

City _____ State _____ ZIP _____

Physical address

Street address, physical location, or route _____

City _____ State _____ ZIP _____

For a change in direct operation branch office locations, attach a current list of branch office physical and mailing addresses.

Contact name _____

Contact phone number (include area code) _____

Contact email _____

▶ **Fill out this section if the license holder name has changed:**

New name of license holder _____

If you filed the name change with the Secretary of State, attach a copy of the new Secretary of State Certificate of Filing.

A surety bond, letter of credit, or deposit must be updated to show the correct name.

▶ **Fill out this section if a new assumed name is being used:**

New assumed name of license holder _____

Attach a copy of the Secretary of State Assumed Name Certificate or a document showing the assumed name was filed with a county.

▶ **Fill out this section if an assumed name is no longer used:**

Assumed name that is no longer used _____

Attach documents showing proof that the assumed name is no longer used.

▶ **Sign here:**

The answers I gave on this form are true and correct:

Representative's signature

Date

▶ **Declaration:**

My name is _____, my date of birth is _____

_____, and my address is:

_____.

Street Address, City, State, Zip Code, and Country

I declare under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____,

on _____.

Date

Declarant's Signature

► **~~To be filled out by a notary public:~~**

~~State of _____~~

~~County of _____~~

~~Before me, notary public, on this day personally appeared _____~~

~~Appointing official's name~~

~~known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.~~

~~(Personalized seal)~~

Notary public's signature

► **Return this form and any attachments:**

Email: TDI-TitleLicensing@tdi.texas.gov

Mail:

Texas Department of Insurance
Title Licensing CO - AAL
PO Box 12030
Austin, Texas 78711-2030

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html, (2) email TDI-TitleLicensing@tdi.texas.gov, (3) or call 512-676-6475.

► **Know your rights:**

Your rights: You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, PO Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, PO Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711-2030.

Application for title insurance agent or direct operation license

► Answer the following:

Applicant name _____

Federal Tax Identification number _____

Mailing address

Street address, route, or PO Box _____

City _____ State _____ ZIP _____

Physical address

Street address, physical location, or route _____

City _____ State _____ ZIP _____

Applicant is organized as: (check one)

Sole proprietor

Partnership

Entity

The type of license being applied for: (check one)

Title insurance agent

Direct operation

Enter information about the accounting firm that will complete the annual escrow audit report of trust funds:

Accounting firm name _____

Accounting firm address _____

Accounting firm phone _____

The contact for this form is:

Contact name _____

Contact phone number (include area code) _____

Contact email _____

► Along with this form, send the following:

You can find forms at www.tdi.texas.gov/forms/title.html.

Application fee of \$50. This is nonrefundable and nontransferable.

Title insurance agent or direct operation appointment (Form FINT10).

- Escrow officer appointment (Form FINT09), unless the sole proprietor or a partner will perform the duties of an escrow officer for the applicant.
- Title insurance licensing biographical information (Form FINT08) for the following:
 - For a sole proprietorship, the sole proprietor and each designated on-site manager.
 - For a partnership, each designated on-site manager and partner who is in control.
 - For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
 - Each controlling person of an entity or partnership who is in control of the entity or partnership applicant.
- Organizational chart that includes names and position titles for the applicant, each person that controls the applicant, and each person that controls an entity who is in control of the entity or partnership applicant.
 - The owners, shareholders, members, or partners and their percentage of ownership must be included with the organizational chart.
- Audited, reviewed, or compiled financial statement of the applicant: (1) prepared by an independent CPA, and (2) covering a period that ended no more than 60 days ago.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for the title insurance agent or direct operation. The amount must be the greater of: (1) \$10,000, or (2) an amount equal to 10 percent of the gross premium written by the title insurance agent or direct operation according to the latest statistical report sent to the Texas Department of Insurance, but not to exceed \$100,000.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for escrow officers. The amount of the bond or deposit, up to a maximum of \$50,000, is determined by multiplying the number of escrow officers employed by the title insurance agent or direct operation by:
 - \$5,000 for an application for each escrow officer who is a Texas resident (bona fide).
 - and
 - \$10,000 for an application for each escrow officer who is a resident (bona fide) of a state next to Texas.
- Title insurance agent's unencumbered assets certification (Form T-S1) and proof showing how the applicant meets the minimum capitalization requirements (<http://www.tdi.texas.gov/title/titlem6s1.html>).

Send the following, if applicable:

- If applying for a direct operation license, attach a list of all branch office addresses and phone numbers.

- If using an assumed name, attach a copy of a valid Assumed Name Certificate filed with the Texas Secretary of State or county clerk’s office in the counties in which the title insurance agent or direct operation will operate.
- If applicant is formed as a partnership, send a copy of the partnership agreement.
- If applicant was formed at the Texas Secretary of State, send a copy of the Certificate of Formation and Certificate of Filing to do business, which was given by the Texas Secretary of State.

► Sign here:

I confirm that all statements, supporting forms, schedules, documents, and exhibits given for the application of this license are true and correct.

Signature of the applicant’s representative Date

► Declaration:

My name is _____, my date of birth is

_____, and my address is:

Street Address, City, State, Zip Code, and Country

I declare under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____,

on _____
Date

Declarant’s Signature

► ~~To be filled out by a notary public:~~

State of _____

County of _____

Before me, notary public, on this day personally appeared _____,
Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and,
being by me first duly sworn, declared that the statements therein contained are true and
correct.~~

(Personalized seal)

Notary public's signature

► **Return this form and any attachments one of these ways:**

Email: TDI-TitleLicensing@tdi.texas.gov

Mail:

Texas Department of Insurance
Title Licensing, Mail Code CO - AAL
PO Box 12030
Austin, Texas 78711-2030

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html,
(2) email TDI-TitleLicensing@tdi.texas.gov, or (3) call 512-676-6500.

► **Know your rights:**

Your rights: You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, PO Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, PO Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711-2030.

ITEM 2023-26
TEXAS TITLE INSURANCE STATISTICAL PLAN

CITATION

28 TAC § 9.401 Texas Title Insurance Statistical Plan.

ISSUE AND JUSTIFICATION

TLTA proposed certain rate changes and new endorsements in these proceedings. The statistical plan should be revised to allow TDI to collect experience data related to those items. TDI must collect data to fulfill its duty to fix and promulgate title insurance premium rates required by Insurance Code Chapter 2703, Subchapter D. The ability to collect experience data related to the rate changes and new endorsements will help TDI fulfill its duty.

Additionally, TDI proposes to update refinance discount codes that were not properly updated when Rate Rule R-8 was amended in 2018. The update changed the transaction descriptions and corresponding rate rule sections that needed matching codes in the statistical manual. The codes are used to track the percentage of discount applied to policies based on the number of years issued after the original loan policy. The codes currently in the statistical plan were not properly updated. This will correct the transaction description to match those codes.

PROPOSED REVISIONS

Several of the changes in this proposal require additions or modifications to the existing underwriter statistical plan. There are three types of changes this exhibit proposes.

1. New statistical codes
2. Clarifying code descriptions and/or references to rules
3. Refinance Discount Code Amendments changes
4. Nonsubstantive formatting and style

NEW STATISTICAL CODES

For the new statistical codes, we describe below the relevant changes required by Exhibits 1, B, C, and 18. After the paragraphs describing the new changes, we provide in

table form a list of the statistical codes, relevant proposal exhibit numbers, rate/rule references, form references, and descriptions of the endorsements.

In all, there are 12 new codes being added. Some codes are added for new endorsements. Other codes are added to distinguish endorsement activity more granularly so that different variations of the same endorsement can be properly charged, accounted for, and reported.

Four of the exhibits in the proposal package require new statistical codes. They are Exhibits 1, B, C, and 18.

Exhibit 1, item C proposes to charge \$50 for down date endorsements issued for residential property, and \$100 for down date endorsements issued for nonresidential property. There are 3 relevant endorsements that need to be categorized into residential and nonresidential. Existing codes 0100 and 0920 are loan policy related endorsements, and code 0940 is the code for the relevant owner's policy endorsement. We add 0101, 0921, and 0941 to distinguish nonresidential activity.

Exhibit B proposes charges for seven endorsements. The first is for the existing severable improvements endorsement (Form T-54). The other six are for new energy project endorsements (Forms T-55 through T-55.5). The proposed new codes for these items are 0831 – 0837.

Exhibit C proposes language in Rate Rule R-16 that more clearly distinguishes the premium for amending the exception as to areas and boundaries on a loan policy as compared to the premium on the owner's policy. The charge for a loan policy is \$0, whereas the charge for owner's policies is 5% or 15% of the basic premium, respectively, for policies covering residential or nonresidential property. The current owner's policy codes are 0500 and 0501. We propose 0502 for no-charge loan policies.

Exhibit 18 proposes a new endorsement and corresponding charge for minerals and surface damage coverage for energy projects. We propose a new code of 0807.

TABLE OF PROPOSED NEW CODES

Code	Exhibit	Rule	Form	Endorsement Description
0101	1	R-11.C.2.	T-3	Down Date of Interim Construction Loan Binder (T-3) (Not Residential Real Property)
0921	1	R-11.C.2.	T-3	Down Date of Construction Loan Policy (T-3) (Not Residential Real Property)
0941	1	R-15.b.2.	T-3	Down Date of Owner's Policy During Construction (T-3) (Not Residential Real Property)
0831	B	R-37.A.	T-54	Severable Improvements Endorsement (T-54)
0832	B	R-37.B.	T-55	Energy Project – Leasehold/Easement Owner's Endorsement (T-55)
0833	B	R-37.C.	T-55.1	Energy Project – Leasehold/Easement – Loan Endorsement (T-55.1)
0834	B	R-37.D.	T-55.2	Energy Project – Leasehold – Owner's Endorsement (T-55.2)
0835	B	R-37.E.	T-55.3	Energy Project – Leasehold Loan – Loan Endorsement (T-55.3)
0836	B	R-37.F.	T-55.4	Energy Project – Fee Estate – Owner's Endorsement (T-55.4)
0837	B	R-37.G.	T-55.5	Energy Project – Fee Estate – Loan Endorsement (T-55.5)
0502	C	R-16.A.	T-3	Loan Policy Amendment of Survey Exception (T-3 or deletion) (No Charge)
0807	18	R-29.2.	T-19.4	Energy Project – Minerals and Surface Damage Endorsement (T-19.4)

CLARIFYING CODE DESCRIPTIONS AND/OR REFERENCES TO RULES

There are three types of changes.

- a. Clarification of Code 0800: Exhibit 16 proposes to clarify the intent of Procedural P-9.b.8, Rate Rule R-11.f, and form T-35 to remove the reference to "future advances" as they are not covered by the endorsement. In the statistical plan, for statistical code 0800, TDI proposes to change the description from "Future Advance/Revolving Credit (T-35)" to "Revolving Credit (T-35)".
- b. Rate Rule references for codes 0100, 0101, 0141, 0142, 0143, 0150, 0151, 0411, 0412, 0884, 0887, 0920, 0921, 0940, 1205, 1215, 3325, and 3345: TDI proposes to expand the rate rule reference to include a more precise citation of the applicable rule. For example, codes 3325 and 3345 expand the relevant rate rule reference

from R-5e for both codes to R-5.E.1. and R-5.E.2., respectively. Code 3325, rate rule R-5.E.1. refers to owner’s policies where the policy amount does not exceed the loan. By contrast, code 3345, rate rule R-5.E.2., refers to owner’s policies where the policy amount does exceed the loan.

- c. Descriptions for codes 0100, 0101, 0143, 0500, 0501, 0810, 0887, 0885, 0886, 0888, 0885, 0886, 0897, 0898, 0889, 0895, 0801, 0802, 0803, 0920, 0921, 0940, and 0941: TDI proposes to change descriptions to clarify and consistently present them. For example, codes 0100, 0920, and 0940 are existing codes. Exhibit 1 proposes to separate these endorsements between residential and nonresidential properties. TDI proposes to add new codes 0101, 0921, and 0941 for nonresidential property transaction codes. The result of bifurcating the codes requires that the old codes 0100, 0920, and 0940 be redefined to cover only residential properties. TDI proposes to change the descriptions to match the new, narrower scope of the codes.

REFINANCE DISCOUNT CODE ADJUSTMENTS

Description of Transaction	Rate Rule	Code
<u>Refinance of Loan within One Year</u>	<u>R-8.B.1.</u> (50% discount)	<u>4001</u>
<u>Refinance of Loan within Two Years</u>		<u>4002</u>
<u>Refinance of Loan within Three Years</u>		<u>4003</u>
<u>Refinance of Loan within Four Years</u>		<u>4004</u>
<u>Refinance of Loan within Five Years</u>	<u>R-8.B.2.</u> (25% discount)	<u>4005</u>
<u>Refinance of Loan within Six Years</u>		<u>4006</u>
<u>Refinance of Loan within Seven Years</u>		<u>4007</u>
<u>Refinance of Loan within Eight Years</u>		<u>4008</u>

Description of Transaction	Rate Rule	Code
<u>Refinance of Loan within One Year 50%</u>	<u>R-8(a)</u>	<u>4001</u>
<u>Refinance of Loan within Two Years 50%</u>	<u>R-8(a)</u>	<u>4002</u>
<u>Refinance of Loan within Three Years 50%</u>	<u>R-8(b)</u>	<u>4003</u>
<u>Refinance of Loan within Four Years 50%</u>	<u>R-8(c)</u>	<u>4004</u>
<u>Refinance of Loan within Five Years 25%</u>	<u>R-8(d)</u>	<u>4005</u>
<u>Refinance of Loan within Six Years 25%</u>	<u>R-8(e)</u>	<u>4006</u>
<u>Refinance of Loan within Seven Years 25%</u>	<u>R-8(f)</u>	<u>4007</u>
<u>Refinance of Loan within Eight Years 25%</u>	<u>R-8(g)</u>	<u>4008</u>

NONSUBSTANTIVE FORMATTING AND STYLE CHANGES

TDI proposes nonsubstantive changes from the current style of the statistical plan style to the reformatted style

1. Font changed to Segoe UI
2. Font size changed to 12 point
3. Removed many of the thicker lines around tables (these still exhibit on Table 7)
4. Removed orphaned line on Schedule S-1 (in margin)
5. Use of consistent paragraph alignment to left
6. Paragraph and line spacing
7. Consistent alignment of bullets
8. Consistent "bullet" style of alphabetized items
9. Removed italicization of text under item 4 on Table 1 and for the name of Table 6
10. In table S-3, replace "and" with a comma in last column heading
11. Reformatted table of contents
12. Use of nonbreaking spaces when necessary to keep reference to endorsement number or table number from breaking across lines or pages
13. Prevented rows from breaking across pages
14. Included table names on subsequent pages if table fell across multiple pages
15. Where a code for a rate rule is addressed in the proposal, changed the punctuation and/or capitalization in the statistical plan to match the convention in the proposal, if applicable.
16. Where a code for a rate rule is not addressed in the proposal, changed the punctuation and/or capitalization in the statistical plan to match the convention published in the rate rule, if applicable
17. Updated pagination

TDI
ITEM 2023-27
UPDATE TEXAS DEPARTMENT OF INSURANCE ADDRESS

CITATION

Section V, Exhibit & Forms, Report forms for Audit of Trust Funds (TDI Title Forms PC 150) of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section VI, Administration Rules, Rule D-1: Requirements for Ceasing Operations by Agents and Direct Operations, Section I, A of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section VI, Administration Rules, Rule S1: Minimum Capitalization Standards for Title Agents Pursuant to §2651.012 and Certification and Procedure to Determine Value of Assets Pursuant to §2651.158, Section III, C, D and E of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section VI, Administration Rules, Rule S.4: Title Company Requirements, Procedures, and Forms for Providing Privileged Title Agent Financial Solvency Information to the Department Pursuant to §2651.011, # A- 2 and 3, # B – 1 and 2 of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section VI, Administration Rules, Rule S5: Filing of Title Agent's Quarterly Withholding Tax Report, Section III and Section IV of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section VI, Administration Rules, Rule S.7: Surety Bond for Title Agents to Comply with Minimum Capitalization Standards, Section I, # E of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

ISSUE AND JUSTIFICATION

TDI proposes to update TDI's mailing address and physical address where they are listed in the Texas Basic Manual to reflect TDI's move from its previous location in the William P. Hobby Building at 333 Guadalupe Street 2023-7974 in Austin, Texas 78701, to the Barbara Jordan State Office Building at 1601 Congress Avenue in Austin, Texas 78701.

The proposed changes also revise the PO Box addresses, email addresses, and other contact information, where appropriate, to ensure that the rules and forms have TDI's current information.

PROPOSED REVISIONS

TDI Title Form PC 150 – Remove letterhead at the top of all the form Exhibits.



~~Texas Department of Insurance~~

~~Property & Casualty Program – Title Division, Mail Code PC-PCL 106-2T~~

~~333 Guadalupe □ P. O. Box 12030-149104, Austin, Texas 78711-2030 78714-9104~~

~~512-676-6880 512-322-3482 telephone □ 512-305-7426 fax □ www.tdi.texas.gov~~

D.1 REQUIREMENTS FOR CEASING OPERATIONS BY AGENTS AND DIRECT OPERATIONS

Any Title Insurance Agent or Direct Operation that intends to cease operations in the business of title insurance pursuant to a surrender, forfeiture, or revocation of license, pursuant to Texas Insurance Code §§2651.201, 2651.301, or 2651.302, must comply with the following mandatory requirements:

I. NOTICE REQUIREMENTS

The Agent/Direct Operation must provide written notice of its intent to cease operations no later than forty-five (45) days prior to its final date of operation to:

- A. the Department, addressed to the Texas Department of Insurance, Title ~~Licensing Division~~, Mail Code: CO TL Post Office Box 12030 ~~149104~~, Austin, Texas 78711 – 2030 ~~78714 9104~~; and by email to TDL-TitleLicensing@tdi.texas.gov.
- B. all Title Insurance Companies for which the Title Agent/Direct Operation holds an appointment and is currently licensed; and
- C. the Public, by public announcement in a local publication of general circulation.

II. AUDIT AND ACCOUNTING REQUIREMENTS

- A. The Agent/Direct Operation and Company must conduct a final audit of the Agent's/Direct Operation's trust fund accounts, the records pertaining thereto and the unused forms in Agent's/Direct Operation's possession, pursuant to the requirements of Texas Insurance Code §§2651.151-157 and 2651.251-253.
- B. The Agent/Direct Operation must provide a final accounting of all funds held in its escrow account for the State of Texas Policy Guaranty Fees and Recoupment Charge funds. Such final accounting together with a final disbursement of any due funds shall be made to the Texas Title Insurance Guaranty Association c/o Offices of Mitchell Williams Law Firm, 500 W. 5th St., STE 1150, Austin, TX 78701-3835 ~~General Counsel for the Texas Title Insurance Guaranty Association, 301 Congress, Suite 800, Austin, Texas 78701.~~

...

S.1. MINIMUM CAPITALIZATION STANDARDS FOR TITLE AGENTS PURSUANT TO §2651.012 AND CERTIFICATION AND PROCEDURE TO DETERMINE VALUE OF ASSETS PURSUANT TO §2651.158

...

III. Filing Requirements and Forms for Certification of Unencumbered Assets.

- A. Unless a title agent has elected to make a deposit with the Department under Insurance Code [§2651.012\(f\)](#), the agent shall submit to the Department with the annual audit of escrow accounts a certification that the title agent has the appropriate unencumbered assets as specified in subsection IA of this rule on the Title Agent's Unencumbered Assets Certification (Form [T-S1](#)).
- B. The Title Agent's Unencumbered Assets Certification (Form [T-S1](#)) must be submitted annually to the Department between September 1 and September 30 of each year.
- C. Form [T-S1](#) may be obtained from the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701 ~~P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701~~, or from the Department's website at www.tdi.texas.gov.
- D. Any certification form submitted pursuant to this subsection should be filed with the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701 ~~P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701~~ or- by email to TitleExaminations@tdi.texas.gov.
- E. An agent that has made a deposit with the Department under [§2651.012\(f\)](#) of the Insurance Code is exempt from the certification requirement of this subsection. If an agent elects to utilize a deposit with the Department as the method of complying with the title agent's capitalization requirement, then the agent must at the time of license renewal provide written notice to the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701 ~~P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701~~ or by email to TitleExaminations@tdi.texas.gov that such deposit has been made and that such deposit meets the title agent's statutory capitalization requirement.

S.4. TITLE COMPANY REQUIREMENTS, PROCEDURES, AND FORMS FOR PROVIDING PRIVILEGED TITLE AGENT FINANCIAL SOLVENCY INFORMATION TO THE DEPARTMENT PURSUANT TO §2651.011

A title insurance company may provide information to the Department about a financial matter that would reasonably call into question the solvency of a title agent that the title insurance company appointed. The following requirements apply to a title insurance company that is providing information to the commissioner:

A. Pursuant to Insurance Code [§2651.011\(b\)](#), each title insurance company shall provide annually to the Department a list of officers authorized to provide to the Department the information specified under this administrative rule. The list of authorized officers must be submitted on Form [T-S4](#).

1. The initial Form [T-S4](#) must be submitted to the Department within 30 days of the effective date of this rule and the subsequent Form [T-S4](#) must be submitted annually between January 1 and January 31 of each year for the calendar year beginning in 2014.

2. Form [T-S4](#) may be obtained from the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701 P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701, or from the Department's website www.tdi.texas.gov.

3. Form [T-S4](#) should be submitted to the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701, P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701 or by email to TitleExaminations@tdi.texas.gov.

B. All information provided under this administrative rule shall be submitted on the Financial Matter Disclosure Report (Form Number [T-S4-A](#)) and is subject to the disclosure requirements in [§2651.011\(b\)](#).

1. Form Number [T-S4-A](#) may be obtained from the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701 P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701, or from the Department's website www.tdi.texas.gov.

2. Form Number [T-S4-A](#) should be submitted to the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701, ~~P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701~~ or by email to TitleExaminations@tdi.texas.gov.

S.5. FILING OF TITLE AGENT'S QUARTERLY WITHHOLDING TAX REPORT

- I. In accordance with [§2651.011\(c\)](#) of the Insurance Code, all title insurance agents shall submit to the Department on a quarterly basis a copy of the agent's quarterly withholding tax report or its equivalent that the title agent filed with the United States Internal Revenue Service (IRS) and evidence that the taxes have been paid. The agent may redact the salaries of individual employees from the quarterly withholding tax report or its equivalent.
- II. The agent's quarterly withholding tax report or its equivalent, evidence that the taxes have been paid (such as a cancelled check or a debit on a bank statement that clearly indicates that funds were paid to the United States Treasury for taxes), and Title Agent Certification of Agent's Quarterly Tax Reports ([Form T-S5](#)) must be submitted to the Department no later than 45 days after the end of the quarter. The schedule for filing is as follows:

Quarter Ending	TDI Due Date
March 31	May 15
June 30	August 15
September 30	November 15
December 31	February 15

- III. The agent's quarterly withholding tax report or its equivalent, evidence that the taxes have been paid, and Title Agent Certification of Agent's Quarterly Tax Reports ([Form T-S5](#)) should be submitted to the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701, ~~P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701~~ or by email to TitleExaminations@tdi.texas.gov.
- IV. Form [T-S5](#) may be obtained from the Texas Department of Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701 ~~P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701~~, or from the Department's website www.tdi.texas.gov.
- V. A title agent that does not have employees shall use the Title Agent Certification of Agent's Quarterly Tax Reports ([Form T-S5](#)) to certify to the Department that the agent did not have any employees for whom withholding taxes were required and there has not been a material change in the agent's financial condition. The agent must submit [Form T-S5](#) to the Department in accordance with the schedule specified in subsection II of this administrative rule.

- VI. If an agent is part of a professional employer organization, it may submit a copy of the report of payroll tax the agent receives from the professional employer organization as the equivalent of a quarterly withholding tax report.

S.7. SURETY BOND FOR TITLE AGENTS TO COMPLY WITH MINIMUM CAPITALIZATION STANDARDS

I. Procedures for Use of the Surety Bond.

A. **Filing**

A title insurance agent may file a surety bond with the Department to comply with the minimum capitalization requirements set forth in Insurance Code [§2651.012\(c\)\(1\) - \(4\)](#).

B. **Conditions of Bond**

The bond shall be:

- (1) in the amount that a title insurance agent requests to comply with the minimum capitalization requirements set forth in Insurance Code [§2651.012\(c\)\(1\) - \(4\)](#);
- (2) executed by a surety company authorized to do business in the State of Texas; and
- (3) payable to the Commissioner of Insurance.

C. **Bond Proceeds**

(1) The commissioner makes a claim under the bond solely on behalf of: (i) a supervisor or conservator appointed by the commissioner; (ii) a court-appointed receiver, rehabilitator or liquidator; or (iii) the Texas Title Insurance Guaranty Association.

(2) Bond proceeds:

- (a) shall be used, as permitted by the commissioner, by the supervisor, conservator, receiver, rehabilitator, liquidator, or the Texas Title Insurance Guaranty Association for contingencies, including the payment of administrative expenses, incurred or that may be incurred by or on behalf of a title agent that has been declared impaired, either before or after the date of impairment; and
- (b) shall not be considered funds of the state.

D. **Expiration or cancellation of bond.**

The bond shall not expire or be subject to cancellation until the 30th day after written notice of expiration or cancellation has been served on the Department either personally or by certified mail. Unless the title agent provides the Department with evidence of compliance with Insurance Code [§2651.012\(c\)\(1\) - \(4\)](#) on or before the expiration of the 30 day period, the title agent shall not perform the acts of a title insurance agent after notice of cancellation is issued.

E. If an agent elects to utilize a surety bond as the method of complying with the title agent's capitalization requirement, then the agent must at the time of license renewal provide written notice to the Texas Department of

Insurance, Title Examinations, Mail Code: FRD, P.O. Box 12030 Austin, Texas 78711-2030 or 1601 Congress Avenue, Austin, Texas 78701, P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701 or by email to TitleExaminations@tdi.texas.gov, that such surety bond has been purchased and that such surety bond meets the title agent's statutory capitalization requirements.

II. Form and Content of Bond.

The Texas Department of Insurance prescribes the form and content of the surety bond in [Section V Exhibits and Forms](#) of the Basic Manual.

**ITEM 2023-A
FORM T-50**

CITATION

Section V, FORM T-50: INSURED CLOSING SERVICE of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas.*

PROPOSED REVISIONS

INSURED CLOSING SERVICE LETTER (T-50)

BLANK TITLE INSURANCE COMPANY

Name and Address of Addressee:

Date:

Texas Title Insurance Agent (hereafter, "Issuing Agent"): [Issuing Agent appears here.]

Transaction (the "Real Estate Transaction"): [Includes GF No., Property, and Borrower's Name]

Re: Insured Closing Service

Dear

In consideration of your acceptance of this letter, Blank Title Insurance Company (the "Company"), agrees to indemnify You for actual loss of Funds incurred by You in connection with the closing of the Real Estate Transaction conducted by the Issuing Agent on or after the date of this letter, subject to the Requirements, Conditions and Exclusions set forth below:

REQUIREMENTS

1. The Company issues or is contractually obligated to issue a Policy for Your protection in connection with the closing of the Real Estate Transaction.
2. You are to be a lender secured by the insured mortgage.

3. Your loss is solely caused by:
 - a. A failure of the Issuing Agent to comply with Your written closing instructions that relate to:
 - i. the disbursement of Funds necessary to establish the status of the Title to the land or the validity, enforceability, or priority of the lien of the Insured Mortgage; or
 - ii. the obtaining of any document, specifically required by You, but only to the extent that the failure to obtain the document adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage.
 - b. Fraud, theft, or dishonesty, or misappropriation of the Issuing Agent in handling Your funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or to the validity, enforceability, or priority of the lien of the Insured Mortgage.

CONDITIONS AND EXCLUSIONS

1. Your transmittal of Funds or documents to the Issuing Agent for the Real Estate Transaction constitutes Your acceptance of this letter.
2. For purposes of this letter:
 - a. "Commitment" means the Company's written contractual agreement to Issue the Policy.
 - b. "Funds" means the money received by the Issuing Agent for the Real Estate Transaction.
 - c. "Policy" or "Policies" means the contract or contracts of title insurance, each in a form adopted for use in the State of Texas, issued or to be issued by the Company in connection with the closing of the Real Estate Transaction.

- d. "You" or "Your" means: the Addressee of this letter; subject to all rights and defenses relating to a claim under this letter that the Company would have against the Addressee, and:
 - i. the assignee of the Insured Mortgage, provided such assignment was for value and the assignee was, at the time of the of the assignment, without Knowledge of facts that reveal a claim under this letter; and
 - ii. the warehouse lender in connection with the Insured Mortgage.
 - e. "Indebtedness," "Insured Mortgage," "Knowledge" or "Known," "Land," and "Title" have the same meaning given them in the Loan Policy of Title Insurance (Form T-2).
3. The Company shall have no liability under this insured closing service letter for any loss arising from any:
- a. failure of the Issuing Agent to comply with Your closing instructions that require title insurance protection inconsistent with that set forth in the Commitment. Your written closing instructions received and accepted by the Issuing Agent after issuing the Commitment that require the removal, where allowed by state law, rule, or regulation, of specific Schedule B Exceptions from Coverage or compliance with the requirements contained in the Commitment shall not be deemed to require inconsistent title insurance protection;
 - b. Loss or impairment of Your funds in the course of collection or while on deposit with a bank due to bank failure, insolvency or suspension, except loss or impairment resulting from failure of the Issuing Agent to comply with Your written closing instructions to deposit the Funds in a bank that You designated by name;
 - c. Any constitutional or statutory lien or claim of lien that arises from services, labor, materials, or equipment, if any Funds are to be used for the purpose of construction, alteration, or renovation. This Section 3.c does not affect the coverage, if any, as to any lien for services, labor, materials, or equipment afforded in the Policy;

- d. Defect, lien, encumbrance, or other matter in connection with the Real Estate Transaction. This Section 3.d does not affect the coverage afforded in the Policy;
- e. Fraud, theft, misappropriation, dishonesty or negligence by You or Your employee, agent, attorney or broker;
- f. Fraud, theft, dishonesty, or misappropriation by anyone other than the Company or Issuing Agent;
- g. Your settlement or release of any claim by You without the Company's written consent;
- h. Any matters created, suffered, assumed or agreed to or known by You.
- i. Failure of the Issuing Agent to determine the validity, enforceability, or the effectiveness of a document required by Your closing instructions. This Section 3.i does not affect the coverage afforded in the Policy;
- j. Federal consumer financial law, as defined in 12 U.S.C. §5481 (14), actions under 12 U.S.C. §5531, or other federal or state laws relating to truth-in-lending, a borrower's ability to repay a loan, qualified mortgages, consumer protection, or predatory lending, including any failure of the Issuing Agent to comply with Your closing instructions relating to those laws;
- k. Federal or state laws establishing the standards or requirements for asset-backed securitization including, but not limited to, exemption from credit risk retention, including any failure of the Issuing Agent to comply with Your closing instructions relating to those laws;
- l. The periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land relating to the Real Estate Transaction; or
- m. The Issuing Agent acting in the capacity of a qualified intermediary or facilitator for tax deferred exchange transactions as provided in

Section 1031 of the Internal Revenue Code; or

- n. Wire fraud, mail fraud, telephone fraud, facsimile fraud, unauthorized access to a computer, network, email, or document production system, business email compromise, identity theft, or diversion of Funds to a person or account not entitled to receive the Funds perpetrated by anyone other than the Company of Issuing Agent.
- 4. If the closing is to be conducted by the Issuing Agent, a Commitment in connection with the Real Estate Transaction must have been received by You prior to the transmittal of Your final closing instructions to the Issuing Agent.
- 5. When the Company shall have indemnified You pursuant to this letter, it shall be subrogated to all rights and remedies You have against any person or property had You not been indemnified. The Company's liability for indemnification shall be reduced to the extent that You have impaired the value of this right of subrogation.
- 6. The Company's liability for loss under this letter shall not exceed the least of:

 - a. the amount of Your Funds;
 - b. the Company's liability under the Policy at the time written notice of a claim is made under this letter;
 - c. the value of the lien of the Insured Mortgage;
 - d. the value of the Title to the Land insured or to be insured under the Policy at the time written notice of a claim is made under this letter;

or
- 7. The Company will be liable only to the holder of the Indebtedness at the time that payment is made.
- 8. Payment to You or to the owner of the Indebtedness under either the Policy or Policies or from any other source shall reduce liability under this letter by the same amount. Payment in accordance with the terms of this

letter shall constitute a payment pursuant to the Conditions of the Policy.

9. The Issuing Agent is the Company's agent only for the limited purpose of issuing Policies. The Issuing Agent is not the Company's agent for the purpose of providing other closing or settlement services. The Company's liability for Your loss arising from closing or settlement services is strictly limited to the contractual protection expressly provided in this letter. Other than as expressly provided in this letter, the Company shall have no liability for loss resulting from the fraud, theft, dishonesty, misappropriation, or negligence of any party to the Real Estate Transaction, the lack of creditworthiness of any borrower connected with the Real Estate Transaction, the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction, or the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction.
10. In no event shall the Company be liable for a loss if the written notice of a claim is not received by the Company within two years from the date of the transmittal of Funds. The condition that the Company must be provided with written notice under this provision shall not be excused by lack of prejudice to the Company;
11. You must promptly send written notice of a claim under this letter to the Company at its principal office at _____ . If the Company is prejudiced by Your failure to provide prompt notice, the Company's liability to You under this letter shall be reduced to the extent of the prejudice.
12. Whenever requested by the Company, You, at the Company's expense, shall:

 - a. give the Company all reasonable aid in:

 - i. securing evidence, obtaining witnesses, prosecuting, or defending any action or proceeding, or effecting any settlement; and
 - ii. any other lawful act that in the opinion of the Company may be necessary to enable the Company's investigation and determination of its liability under this letter;

- b. deliver to the Company any records, in whatever medium maintained, that pertain to the Real Estate Transaction or any claim under this letter; and
 - c. submit to an examination under oath by any authorized representative of the Company with respect to any such records, the Real Estate Transaction, any claim under this letter or any other matter reasonably deemed relevant by the Company.
- 13. The Company shall have no liability under this letter if:
 - a. the Real Estate Transaction has not closed within one year from the date of this letter; or
 - b. at any time after the date of this letter, but before the Real Estate Transaction closes, the Company provides written notice of termination of this letter to the Addressee at the address set forth above.
- 14. The protection of this letter extends only to real estate in Texas, and any court or arbitrator shall apply the law of the jurisdiction where the Land is located to interpret and enforce the terms of this letter. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law. Any litigation or other proceeding under this letter must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.
- 15. There shall be no right for any claim under this letter to be arbitrated or litigated on a class action basis.
- 16. Either the Company or You may demand that any claim arising under this letter be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association, unless You have a Policy for the Real Estate Transaction with an Amount of Insurance greater than \$2,000,000. There shall be no right for any claim under this letter to be arbitrated or litigated on a class action basis. If You have a Policy for the Real Estate Transaction with an Amount of Insurance greater than \$2,000,000, a claim arising under this letter may be submitted to arbitration only when agreed to by both the Company and You.

This closing protection letter supersedes and cancels any previous letter or similar agreement for closing protection that applies to the Real Estate Transaction.

BLANK TITLE INSURANCE COMPANY

By: [Authorized Signatory]

~~INSURED CLOSING SERVICE (T-50)~~

~~BLANK TITLE INSURANCE COMPANY~~

~~Name and Address of Addressee:~~

~~Date:~~

~~Name of Issuing Agent (hereafter, "Issuing Agent"):~~

~~[Identity of Issuing Agent appears here.]Re: Insured Closing Service~~

~~Dear~~

~~Blank Title Insurance Company (the "Company") agrees, subject to the Conditions and Exclusions set forth below, to reimburse you for actual loss incurred by you in connection with closings of real estate transactions conducted by the Issuing Agent, provided:~~

~~(A) title insurance of the Company is specified for your protection in connection with the closing;~~

~~(B) you are to be the lender secured by a mortgage (including any other security instrument) of an interest in land, its assignees or a warehouse lender; and~~

~~(C) provided the loss arises out of:~~

~~1. Failure of the Issuing Agent to comply with your written closing instructions to the extent that they relate to (a) the status of the title to that interest in land or the validity, enforceability and priority of the lien of the mortgage on that interest in land, including the obtaining of documents and the disbursement of funds necessary to establish the status of title or lien, or (b) the obtaining of any other document, specifically required by you, but only to the extent the failure to obtain the other document affects the status of the title to that interest in land or the validity,~~

~~enforceability and priority of the lien of the mortgage on that interest in land, and not to the extent that your instructions require a determination of the validity, enforceability or the effectiveness of the other document, or~~

~~2. Fraud or dishonesty of the Issuing Agent in handling your funds or documents in connection with the closings to the extent that fraud or dishonesty relate to the status of the title to that interest in land or to the validity, enforceability, and priority of the lien of the mortgage on that interest in land.~~

~~If you are a lender protected under the foregoing paragraph, your assignee and your warehouse lender in connection with a loan secured by a mortgage shall be protected as if this letter were addressed to them.~~

~~Conditions and Exclusions~~

~~1. The Company will not be liable to you for loss arising out of:~~

~~A. failure of the Issuing Agent to comply with your closing instructions which require title insurance protection inconsistent with that set forth in the title insurance binder or commitment issued by the Company. Instructions which require the removal of specific exceptions to title or compliance with the requirements contained in the binder or commitment shall not be deemed to be inconsistent.~~

~~B. Loss or impairment of your funds in the course of collection or while on deposit with a bank due to bank failure, insolvency or suspension, except as shall result from failure of the Issuing Agent to comply with your written closing instructions to deposit the funds in a bank which you designated by name.~~

~~C. Defects, liens, encumbrances or other matters in connection with your loan transactions except to the extent that protection against those defects, liens, encumbrances or other matters is afforded by a policy of title insurance not inconsistent with your closing instructions.~~

~~D. Fraud, dishonesty or negligence of your employee, agent, attorney or broker.~~

~~E. Your settlement or release of any claim without the written consent of the Company.~~

~~F. Any matters created, suffered, assumed or agreed to by you or known to you.~~

~~2. When the Company shall have reimbursed you pursuant to this letter, it shall be subrogated to all rights and remedies which you would have had against any person or property had you not been so reimbursed. Liability of the Company for reimbursement shall be reduced to the extent that you have knowingly and voluntarily impaired the value of this right of subrogation.~~

~~3. The Issuing Agent is the Company's agent only for the limited purpose of issuing title insurance policies. The Issuing Agent is not the Company's agent for the purpose of providing other closing or settlement services. The Company's liability for your losses arising from those other closing or settlement services is strictly limited to the protection expressly provided in this letter. Any liability of the Company for loss does not include liability for loss resulting from the negligence, fraud or bad faith of any party to a real estate transaction other than an Issuing Agent, the lack of creditworthiness of any borrower connected with a real estate transaction, or the failure of any collateral to adequately secure a loan connected with a real estate transaction. However, this letter does not affect the Company's liability with respect to its title insurance binders, commitments or policies.~~

~~4. Either the Company or you may demand that any claim arising under this letter be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association, unless you have a policy of title insurance for the applicable transaction with an Amount of Insurance greater than \$2,000,000. If you have a policy of title insurance for the applicable transaction with an Amount of Insurance greater than \$2,000,000, a claim arising under this letter may be submitted to arbitration only when agreed to by both the Company and you.~~

~~5. You must promptly send written notice of a claim under this letter to the Company at its principal office at _____ . The Company is not liable for a loss if the written notice is not received within two years from the date of the closing.~~

~~6. The protection herein offered extends only to real property transactions in Texas.~~

~~Any previous closing protection letter or similar agreement is hereby cancelled, except for closings of your real estate transactions for which you have previously sent (or within 30 days hereafter send) written closing instructions to the Issuing Agent.~~

BLANK TITLE INSURANCE COMPANY

By: _____

ITEM 2023-B
FORMS T-54,T-55, T-55.1, T-55.2, T-55.3, T-55.4, T-55.5
RATE RULE R-37
PROCEDURAL RULE P-72

CITATION

Section II, Insuring Forms, Form T-54: Severable Improvements Endorsement of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section III, Rate Rule, R-37: Premium for Energy Project Endorsements (T-54, T-55, T-55.1, T-55.2, T-55.3, T-55.4, T-55.5) of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section IV, Procedural Rules, P-72: Energy Project Endorsements (T-54, T-55, T-55.1, T-55.2, T-55.3, T-55.4, T-55.5) of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

New Insuring Forms T-55, T-55.1, T-55.2, T-55.3, T-55.4, and T-55.5

ENERGY PROJECT – LEASEHOLD/EASEMENT OWNER’S ENDORSEMENT (Form T-55)

Attached to Policy No. _____

Issued by

[Title Company]

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
 - a. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together constitute one integrated project.

- b. "Easement" means each easement described in Schedule A.
- c. "Easement Interest" means the right of use granted in the Easement for the Easement Term.
- d. "Easement Term" means the duration of the Easement Interest, as set forth in the Easement, including any renewal or extended term if a valid option to renew or extend is contained in the Easement.
- e. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
- f. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of a matter covered by this policy.
- g. "Lease" means each lease described in Schedule A.
- h. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.
- i. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- j. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated _____, last revised _____, and designated as _____ (insert name of project or project number) consisting of _____ sheets.
- k. "Remaining Term" means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.

l. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. Valuation of Title as an Integrated Project:

- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate or the Easement Interest for the Remaining Term, as applicable, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease or Easement as computed in Section 3(b) below.
- b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
- c. The Insured Claimant shall have the right to have the Leasehold Estate, the Easement Interest, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent or use payments no longer required to be paid for the Remaining Term.
- d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

- a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.
- b. The policy does not insure against loss or damage (and the Company will

not pay any costs, attorneys' fees or expenses) relating to:

- i. the attachment, perfection or priority of any security interest in any Severable Improvement;
- ii. the vesting or ownership of title to or rights in any Severable Improvement;
- iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
- iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

- a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.
- b. Rent, easement payments or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate or the Easement Interest, as applicable, may be obligated to pay to any person having paramount title to that of the lessor in the Lease or the grantor in the Easement, as applicable.
- c. The amount of rent, easement payments or damages that, by the terms of the Lease or the Easement, as applicable, the Insured must continue to pay to the lessor or grantor after Eviction with respect to the portion of the Leasehold Estate or Easement Interest, as applicable, from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest

of the Insured in any lease, sublease or easement specifically permitted by the Lease or Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

- e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees or easement or subeasement grantees on account of the breach of any lease or sublease or easement or subeasement specifically permitted by the Lease or the Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.
 - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate or a replacement easement reasonably equivalent to the Easement Interest, as applicable.
 - g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.
6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

[Title Company]

ENERGY PROJECT – LEASEHOLD/EASEMENT – LOAN ENDORSEMENT (Form T-55.1)

Attached to Policy No. _____

Issued by

[Title Company]

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
 - a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together constitute one integrated project.
 - b. "Easement" means each easement described in Schedule A.
 - c. "Easement Interest" means the right of use granted in the Easement for the Easement Term.
 - d. "Easement Term" means the duration of the Easement Interest, as set forth in the Easement, including any renewal or extended term if a valid option to renew or extend is contained in the Easement.
 - e. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
 - f. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of a matter covered by this policy.

- g. "Lease" means each lease described in Schedule A.
 - h. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.
 - i. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
 - j. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated _____, last revised _____, and designated as (insert name of project or project number) consisting of _____ sheets.
 - k. "Remaining Term" means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.
 - l. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
 - m. "Tenant" means the tenant under the Lease or a grantee under the Easement, as applicable, and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.
3. Valuation of Title as an Integrated Project:
- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate or the Easement Interest for the Remaining Term, as applicable, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease or Easement as computed in Section 3(b) below.
 - b. A computation of loss or damages resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
 - c. The Insured Claimant shall have the right to have the Leasehold Estate, the

Easement Interest, and any Electricity Facility affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent or use payments no longer required to be paid for the Remaining Term.

- d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

- a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.
- b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:
- i. the attachment, perfection or priority of any security interest in any Severable Improvement;
 - ii. the vesting or ownership of title to or rights in any Severable Improvement;
 - iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
 - iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

- a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.
- b. Rent, easement payments or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate or the Easement Interest, as applicable, may be obligated to pay to any person having paramount title to that of the lessor in the Lease or the grantor in the Easement, as applicable.
- c. The amount of rent, easement payments or damages that, by the terms of the Lease or the Easement, as applicable, the Insured must continue to pay to the lessor or grantor after Eviction with respect to the portion of the Leasehold Estate or Easement Interest, as applicable, from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease, sublease or easement specifically permitted by the Lease or Easement, as applicable, and made by the Tenant as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.
- e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees or easement or subeasement grantees on account of the breach of any lease or sublease or easement or subeasement specifically permitted by the Lease or the Easement, as applicable, and made by the Tenant as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.
- f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate or a replacement easement reasonably equivalent to the Easement Interest, as applicable.
- g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of

the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

[Title Company]

ENERGY PROJECT – LEASEHOLD – OWNER’S ENDORSEMENT (Form T-55.2)

Attached to Policy No. _____

Issued by

[Title Company]

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:
 - a. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together constitute one integrated project.

 - b. “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

 - c. “Evicted” or “Eviction” means (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of any Lease or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.

 - d. “Lease” means each lease described in Schedule A.

 - e. “Leasehold Estate” means the right of possession granted in the Lease for the Lease Term.

- f. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- g. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated _____, last revised _____, and designated as (insert name of project or project number) consisting of _____ sheets.
- h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.
- g. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. Valuation of Title as an Integrated Project:

- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease as computed in Section 3(b) below.
- b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
- c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.
- d. The provisions of this Section 3 shall not diminish the Insured's rights

under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

- a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.
- b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:
 - g. the attachment, perfection or priority of any security interest in any Severable Improvement;
 - ii. the vesting or ownership of title to or rights in any Severable Improvement;
 - iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
 - iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

- g. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the

Insured solely because of the Eviction.

- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
 - c. The amount of rent or damages that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate from which the Insured has been Evicted.
 - d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease specifically permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate.
 - e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease specifically permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate.
 - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
 - g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.
6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior

endorsements.

[Witness clause optional

[Title Company]

ENERGY PROJECT – LEASEHOLD – LOAN ENDORSEMENT (Form T-55.3)

Attached to Policy No.

Issued by

[Title Company]

- g. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
- g. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together constitute one integrated project.
- b. “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
- c. “Evicted” or “Eviction” means (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of any Lease or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- d. “Lease” means each lease described in Schedule A.
- e. “Leasehold Estate” means the right of possession granted in the Lease for the Lease Term.
- f. “Lease Term” means the duration of the Leasehold Estate, as set forth in

the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

- g. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated _____, last revised _____, and designated as (insert name of project or project number) consisting of _____ sheets.
- h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.
- i. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
- j. "Tenant" means the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

3. Valuation of Title as an Integrated Project:

- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease as computed in Section 3(b) below.
- b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
- c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.
- d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss

or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

- a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.
- b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:
 - i. the attachment, perfection or priority of any security interest in any Severable Improvement;
 - ii. the vesting or ownership of title to or rights in any Severable Improvement;
 - iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
 - iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

- a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly,

removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
 - c. The amount of rent or damages that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate from which the Insured has been Evicted.
 - d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease specifically permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate.
 - e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease specifically permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate.
 - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
 - g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.
6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

[Title Company]

ENERGY PROJECT – FEE ESTATE – OWNER’S ENDORSEMENT (Form T-55.4)

Attached to Policy No. _____

Issued by

[Title Company]

1. The insurance provided by this endorsement is (a) only effective for the parcel or those parcels of the Land as to which the Title is fee simple and (b) subject to the exclusions in Section 6 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
 - a. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together with any other parcel or parcels of Land described in Schedule A constitute one integrated project.
 - b. “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
 - c. “Ejected” or “Ejection” means (a) the lawful divestment, in whole or in part, of the Title to the Land or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement, as applicable, in either case as a result of a matter covered by this policy.
 - d. “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated _____, last revised _____, and designated as (insert name of project or project number) consisting of _____ sheets.

- e. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
3. Valuation of Title as an integrated project:
- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Insured is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.
 - b. A computation of loss or damage resulting from an Ejection affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.
 - c. The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.
 - d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.
4. Valuation of Severable Improvements:
- a. In the event of an Ejection, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Ejection, reduced by the salvage value of the Severable Improvement.
 - b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees, or expenses) relating to:
 - i. the attachment, perfection or priority of any security interest in any

Severable Improvement;

- ii. the vesting or ownership of title to or rights in any Severable Improvement;
- iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
- iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

- a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Ejection, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Ejection.
- b. Payments or damages for use and occupancy of the Land prior to the Ejection that the Insured may be obligated to pay to any person having paramount title to that of the Insured.
- c. The fair market value, at the time of the Ejection, of the estate or interest of the Insured in any lease or easement, as applicable, made by the Insured as lessor or grantor of all or part of the Title.
- d. Damages caused by the Ejection that the Insured is obligated to pay to lessees or easement grantees on account of the breach of any lease or easement, as applicable, made by the Insured as lessor or grantor of all or part of the Title.
- e. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing

and reviews for a fee estate in a replacement parcel of land reasonably equivalent to the parcel that is the subject of the Ejection.

- f. If any Electricity Facility is not substantially completed at the time of Ejection, the actual cost incurred by the Insured up to the time of Ejection, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Ejected. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.
6. This endorsement does not insure against loss, damage, or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

[Title Company]

ENERGY PROJECT – FEE ESTATE – LOAN ENDORSEMENT (Form T-55.5)

Attached to Policy No. _____

Issued by

[Title Company]

1. The insurance provided by this endorsement is (a) only effective for the parcel or those parcels of the Land as to which the Title is fee simple and (b) subject to the exclusions in Section 6 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
 - a. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together with any other parcel or parcels of Land described in Schedule A constitute one integrated project.
 - b. “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale, or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
 - c. “Ejected” or “Ejection” means (a) the lawful divestment, in whole or in part, of the Title to the Land or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement, as applicable, in either case as a result of a matter covered by this policy.
 - d. “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated _____, last revised _____, and designated as (insert name of project or project number) consisting of _____ sheets.

- e. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
 - f. "Vestee" means the party in which the Title is vested as stated in Schedule A and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.
3. Valuation of Title as an integrated project:
- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Vestee is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.
 - b. A computation of loss or damage resulting from an Ejection affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.
 - c. The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.
 - d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.
4. Valuation of Severable Improvements:
- a. In the event of an Ejection, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Ejection, reduced by the salvage value of the Severable Improvement.

- b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees, or expenses) relating to:
 - i. the attachment, perfection or priority of any security interest in any Severable Improvement;
 - ii. the vesting or ownership of title to or rights in any Severable Improvement;
 - iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
 - iv. the determination of whether any specific property is real or personal in nature.
5. Additional items of loss covered by this endorsement:
- If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:
- a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Ejection, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Ejection.
 - b. Payments or damages for use and occupancy of the Land prior to the Ejection that the Insured may be obligated to pay to any person having paramount title to that of the Insured.
 - c. The fair market value, at the time of the Ejection, of the estate or interest of the Insured in any lease or easement, as applicable, made by the Vestee as lessor or grantor of all or part of the Title.
 - d. Damages caused by the Ejection that the Insured is obligated to pay to lessees or easement grantees on account of the breach of any lease or

easement, as applicable, made by the Vestee as lessor or grantor of all or part of the Title.

- e. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a fee estate in a replacement parcel of land reasonably equivalent to the parcel that is the subject of the Ejection.
- f. If any Electricity Facility is not substantially completed at the time of Ejection, the actual cost incurred by the Insured up to the time of Ejection, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Ejected. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage, or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

[Title Company]

Section III, Rate Rule, R-37

R-37. Premium for Severable Improvements Endorsement(T-54) and Energy Project Endorsements (T-55, T-55.1, T-55.2, T-55.3, T-55.4, T-55.5)

- A. The premium for the Severable Improvements Endorsement (Form T-54) is 5% of the Basic Premium Rate.
- B. The premium for the Energy Project – Leasehold/Easement Owner’s Policy Endorsement (Form T-55) is 5% of the Basic Premium Rate.
- C. The premium for the Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1) is 5% of the Basic Premium Rate.
- D. The premium for the Energy Project – Leasehold Owner’s Policy Endorsement (Form T-55.2) is 5% of the Basic Premium Rate.
- E. The premium for the Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3) is 5% of the Basic Premium Rate.
- F. The premium for the Energy Project – Fee Estate Owner’s Policy Endorsement (Form T-55.4) is 5% of the Basic Premium Rate.
- G. The premium for the Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) is 5% of the Basic Premium Rate.

Section IV, Procedural Rules, P-72

P-72. Severable Improvements Endorsement (T-54) and Energy Project Endorsements (T-55, T-55.1, T-55.2, T-55.3, T-55.4, and T-55.5)

- A. A Company may issue the Severables Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner’s Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner’s Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner’s Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. A Company may issue its Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and which is not residential real property, if its underwriting requirements are met, and the area and boundary amendment is made pursuant to Procedural Rule P-2. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision or portion thereof if it does not consider that risk acceptable. Any insured matter covered in the Severable Improvements Endorsement (Form T-54) may be insured only by the use of this endorsement.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
 - a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
 - b. The estate or interest in the Land that is insured:
 - i. by the Owner's Policy (Form T-1) includes:
 - (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
 - (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
 - (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
 - ii. by the Loan Policy (Form T-2) includes:
 - (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
 - (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3);

or

(c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and

4. The Company's underwriting requirements are met.
- B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.
- C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.
- D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.
- E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

**ITEM 2023-C
PROCEDURAL RULE P-1 u.
RATE RULE R-16**

CITATION

Section IV, Procedural Rules of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

Section III, Rate Rules of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

PROCEDURAL RULE P-1. Definitions

...

u. Residential ~~Real~~ ~~Property~~ –

~~1. Any real property which has improvements thereon designed principally for the occupancy of from one to four families (including individual units of condominiums and cooperatives) and either (a) situated in a platted subdivision of record, or (b) consisting of five acres or less,; or~~

~~2. Any real property which has improvements thereon designed principally for the occupancy of from one to four families and consisting of more than five acres but not more than 200 acres used for agricultural production by individual insureds (according to the information known by the Company at the time of issuance of the policy of title insurance).~~

1. For this definition, the word "Improvements" means improvements designed primarily for the occupancy of from one to four families and includes:
 - a. Improvements existing at Date of Policy; and
 - b. immediately contemplated Improvements when the cost of such Improvements is included in the Amount of Insurance.

2. Residential Real Property is any real property with Improvements which at Date of Policy consists of:
- a. a lot or lots in a platted residential subdivision;
 - b. one or more individual residential condominium and cooperative units;
 - c. 10 acres or less; or
 - d. more than 10 acres, but not more than 200 acres, when the Insured in an Owner's Policy or the Borrower in a Loan Policy is a natural person or persons.

...

RATE RULE R-16. Amendment of Exception as to Area, Boundaries, etc.

~~Applicable only as provided in Rules P-2 and P-8.a.(2) — the Exception as to area and boundaries, etc., may be amended in an Owner or Mortgagee Policy upon the payment of an additional premium (in the case only of an Owner Policy) therefore equivalent to (1) 15% of the Basic Rate in an Owner Policy (T-1), or (2) 5% of the Basic Rate in a Residential Owner Policy of Title Insurance — One to Four Family Residences (Form T-1R), with a minimum premium of \$20.00.~~

- A. The premium for amending the exception as to area and boundaries, etc. in a Loan Policy (Form T-2 or Form T-2R) is \$0.
- B. The premium for amending the exception as to area and boundaries, etc. in an Owner's Policy (Form T-1 or Form T-1R) is:
 - 1. 15 percent of the Basic Premium Rate on the Policy Amount when the Land is not Residential Real Property, or
 - 2. 5 percent of the Basic Premium Rate on the Policy Amount when the Land is Residential Real Property, but not less than \$20.00.

**ITEM 2023-D
FORM T-42**

CITATION

Section II, Insuring Forms, Form T-42: Equity Loan Mortgage Endorsement of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

EQUITY LOAN MORTGAGE ENDORSEMENT T-42

Attached to and made a part of _____ Title Insurance Company

Loan Policy No. _____,

dated the _____ day of _____, 20____.

Issued by

BLANK TITLE INSURANCE COMPANY

The policy is hereby amended as follows:

1. The following new Subsection (n) is inserted in Section 1 of the Conditions:

(n) "consumer credit protection law": any applicable federal or state regulation, law or constitutional provision relating to consumer credit protection. For purposes of the policy and paragraph 5 of the Exclusions from Coverage, consumer credit protection law includes, but is not limited to, the provisions of Subsections (ā)(6), (g), and (t) of Section 50, Article XVI, Texas Constitution, and any statutory or regulatory requirements for a mortgage made pursuant to Subsection (a)(6)."

2. Notwithstanding the specific provisions of paragraph 5 of the Exclusions from Coverage relating to consumer credit protection laws, the Company insures the insured against loss, if any, sustained by the insured under the terms of the

policy because of invalidity or unenforceability of the lien of the insured mortgage by reason of the following:

- a. ~~(a)~~The failure of the insured mortgage to be created under a written agreement with the consent of each owner of the estate or interest described in Schedule A and each owner's spouse, as set forth in Subsection (a)(6)(A) of Section 50, Article XVI, Texas Constitution.
 - b. ~~(b)~~ The land being homestead property designated for agricultural use as provided by statutes governing property tax, as set forth in Subsection (a)(6)(I) of Section 50, Article XVI, Texas Constitution. [This subparagraph is intentionally deleted because of an Amendment to the Texas Constitution.]
 - c. ~~(c)~~The indebtedness secured by the lien of the insured mortgage on the land not being the only debt secured by a valid lien on the land at the time the extension of credit is made pursuant to the insured mortgage unless the other debt was made for a purpose described by Subsections (a)(1) through (a)(5) or Subsection (a)(8) of Section 50 of Article XVI, Texas Constitution, as set forth in Subsection (a)(6)(K) of Section 50, Article XVI, Texas Constitution.
 - d. ~~(d)~~The extension of credit secured by the lien of the insured mortgage closing before the first anniversary of the closing date of any other extension of credit described by Subsection (a)(6) of Section 50 of Article XVI, Texas Constitution, and secured by a valid lien on the land, as set forth in Subsection (a)(6)(M)(iii) of Section 50, Article XVI, Texas Constitution.
 - e. ~~(e)~~The failure of the insured mortgage to contain a disclosure that the extension of credit is the type of credit defined by Section 50(a)(6), Article XVI, Texas Constitution, as set forth in Subsection (a)(6)(Q)(vi) of Section 50(a)(6), Article XVI, Texas Constitution.
3. Provided the insured mortgage secures a home equity line of credit, the Company insures the Insured that any disbursements under the home equity line of credit made subsequent to the date of this policy as provided in the insured mortgage shall be deemed to have been made as of the date of this policy and such disbursements and accrued interest shall have the same priority as any advances made as of the date of this policy, except as to (i) bankruptcies

affecting the estate or interest described on Schedule "A" hereof prior to the date of any such advance or disbursement; and (ii) taxes, costs, charges, damages and other obligations to the government secured by statutory liens arising or recorded subsequent to the date of the Policy.

4. Except as provided in paragraph 2 above, the Company does not insure against invalidity or unenforceability of the lien of the insured mortgage, which arises out of the transaction evidenced by the insured mortgage and is based on any consumer credit protection law.
5. This endorsement does not insure against invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, arising out of usury or truth in lending laws.

This endorsement when countersigned below by an Authorized Countersignature is made a part of said Policy. Except as expressly modified by the provisions hereof, this endorsement is subject to the following policy matters: (i) Insuring provisions; (ii) Exclusions from Coverage; (iii) Schedule "B" Exceptions; (iv) the Conditions; and (v) any prior endorsements. Except as stated herein, this endorsement does not: (i) extend the effective date of the policy and/or any prior endorsements; or (ii) increase the face amount of the policy.

ITEM 2023-E
RATE RULE R-5. B,C,D,F

CITATION

Section III, Rate Rules, R-5: Simultaneous Issuance of Owner's and Loan Policies, of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

PROPOSED REVISIONS

R-5. Simultaneous Issuance of Owner's and Loan Policies

- A. An Owner's Policy must be issued at the Basic Rate, and the premium for each Loan Policy must be \$100.00, if:
 - 1. all policies are issued simultaneously;
 - 2. all policies bear the same date;
 - 3. each Loan Policy covers the same land—or part of the land—covered by the Owner's Policy and covers no other land;
 - 4. the Owner's Policy shows the lien(s) insured by each Loan Policy as an exception; and
 - 5. the amount of the Loan Policy(ies) does not exceed the amount of the Owner's Policy.

- B. When the amount of the Loan Policy(ies) exceeds the amount of the Owner's Policy:
 - 1. the Basic Rate must be charged for the Owner's Policy; and
 - 2. the premium charged for the Loan Policy(ies) must be:
 - a. the Basic Rate for the combined Loan Policy amounts; minus

- b. the Basic Rate for the Owner's Policy; plus
- c. \$100.00 for each Loan Policy; if:
 - i. all policies are issued simultaneously;
 - ii. all policies bear the same date;
 - iii. each Loan Policy covers the same land—or part of the land—covered by the Owner's Policy and covers no other land; and
 - iv. the Owner's Policy shows the lien(s) insured by each Loan Policy as an exception.

C. When there is an existing Owner's Policy(ies) and improvements are now immediately contemplated:

- 1. the premium for the new Owner's Policy must be reduced by a credit as provided in Rate Rule R-3, if the new policy:
 - a. covers the identical property covered by the existing Owner's Policy(ies);
 - b. is dated within four years of the existing Owner's Policy(ies); and
 - c. includes the exception and liability paragraph provided in Procedural Rule P-8.a.
- 2. The credit applies only when the ownership of the property has not changed.
- 3. The premium for the Owner's Policy must not be less than the minimum Basic Rate.
- 4. The premium for each Loan Policy must be \$100.00, if:

- a. all policies are issued simultaneously;
- b. all policies bear the same date;
- c. each Loan Policy covers the same land—or part of the land—covered by the Owner's Policy and covers no other land; and
- d. the Owner's Policy shows the lien(s) insured by each Loan Policy as an exception.

D. When there is an existing Owner's Policy(ies) insuring residential property that did not include the exception and liability paragraph provided in Procedural Rule P-8.a and improvements are now completed:

1. The premium for a new Owner's Policy(ies) must be reduced by a credit as provided in Rate Rule R-3, if the new Owner's Policy:
 - a. is in an amount greater than the existing Owner' Policy(ies);
 - b. covers the identical property covered by the existing Owner's Policy(ies); and
 - c. is dated within four years of the existing Owner's Policy(ies);
2. The credit only applies when the ownership of the property has not changed; and
3. The premium collected for the Owner's Policy must not be less than the minimum Basic Rate.
4. The premium for each Loan Policy must be \$100.00, if:
 - a. all policies are issued simultaneously;

- b. all policies bear the same date;
- c. each Loan Policy covers the same land—or part of the land—covered by the Owner's Policy and covers no other land; and
- d. the Owner's Policy shows the lien(s) insured by each Loan Policy as an exception.

E. When an Owner's Policy is issued as provided in Rate Rule R-2.b, and the Loan Policy is Issued as provided in Rate Rule R-2.a,

1. the premium for the Owner's Policy must be \$100.00, and the premium for the Loan Policy must be the Basic Rate, if:
 - a. both policies are issued simultaneously;
 - b. both policies bear the same date;
 - c. the amount of the Owner's Policy(ies) does not exceed the amount of the Loan Policy;
 - d. the Owner's Policy covers the same land—or part of the land—covered by the Loan Policy and covers no other land; and
 - e. both policies include the exception and the liability paragraph or the pending disbursement paragraph, as applicable, provided in Procedural Rule P-8.
2. When the amount of the Owner's Policy(ies) exceeds the amount of the Loan Policy, the premium charged for the Owner's Policy must be:
 - a. the Basic Rate; plus
 - b. \$100.00; minus
 - c. the Basic Rate for the Loan Policy to be paid as provided in Rate Rule R-2.a.
3. The credit provided in Rate Rule R-3 must be given against the premium for the new Loan Policy, if:

- a. the existing Owner's Policy(ies) covers the identical property to be covered by the new Owner's Policy; and
 - b. ownership of the property has not changed.
- F. When an Owner's Policy is issued with a policy amount of ~~\$5,000,000.00~~ \$1,000,000 or more on land that is not residential real property and bears the date ~~and time of recording~~ of the insured instrument was recorded:
- 1. the premium for each Loan Policy ~~is must be~~ \$100.00, if:
 - a. the Loan Policy(ies) is issued within 90 days after the date of the Owner's Policy;
 - b. the Loan Policy(ies) covers the same land—or part of the land—covered by the Owner's Policy and covers no other land;
 - c. ownership of the Land property has not changed since the Owner's Policy was issued; ~~and~~
 - d. the Loan Policy(ies) is issued by the same Title Insurance Company(ies) that issued the Owner's Policy; and
 - e. the amount of the Loan Policy(ies) does not exceed the amount of the Owner's Policy, and
 - 2. if the conditions in paragraphs F.1.a, F.1.b, ~~and F.1.c,~~ and F.1.d are met, but the amount of the Loan Policy(ies) exceeds the amount of the Owner's Policy, the premium ~~charged for~~ the Loan Policy(ies) ~~must be~~ is:
 - a. the Basic Rate for the combined Loan Policy amounts; ~~minus~~
 - b. minus the Basic Rate for the Owner's Policy amount; ~~plus~~
 - c. plus \$100.00 for each Loan Policy.

THIS RULE MAY NOT BE APPLIED in connection with the issuance of a series of Loan Policies issued by reason of notes being apportioned to individual units in connection with a master

policy covering the aggregate indebtedness, including improvements. Except as otherwise provided in this rule, individual Loan Policies must be issued at the Basic Rate.