

Exhibit 2017-1  
Procedural Rule P-58, Report on Directly Issued Policy

**P-58. Report on Directly Issued Policy**

Each Title Insurance Company shall compile and submit to the Department annually, as part of the Texas Title Insurance Statistical Plan, a report of all directly issued [sometimes commonly referred to as Home Office Issued] policies of title insurance which shall include at least the following information:

- (1) Location of insured land identified by standard three (3) digit county code as set forth in Table 7 of the Texas Title Insurance Statistical Plan;
- (2) Gross Premium (for policy and all endorsements) and limits of liability on each policy issued;
- (3) Date of Policy;
- (4) Transaction identification number (guaranty file number or other identifier);
- (5) Requesting Agent's Firm ID Number as shown on the Agent/Direct Operation license;
- (6) Cooperating Agent's Firm ID Number as shown on the Agent/Direct Operation license; and,
- (7) Directly Issued Policy "DIP" Status Code (Best Evidence = 0; Multicounty = 1; Out of County = 2).

The report shall be sorted by county (primary sort) and by the requesting agent's Firm ID Number as shown on the Agent/Direct Operation license (secondary sort) within each county. The report may contain additional information, totals, or subtotals as deemed necessary by the Title Insurance Company or as required by the Department.

**Verification of Services Rendered (Form T-00)**

**INSTRUCTIONS**

1. The Agent/Entity desiring to be paid shall complete Section 1, sign, date and deliver the form, together with a written itemized statement or invoice, when the work is performed or delivered.
2. The Agent/Underwriter issuing the policy shall complete Section 2.
3. The Agent/Underwriter paying for the work shall complete Section 3, sign, date and deliver a copy of the form to both the Agent/Entity being paid and the Agent/Underwriter issuing the policy.
4. All parties shall retain in their records a fully signed copy of this Form T-00 and a copy of the written itemized statement or invoice.

**SECTION 1 – INFORMATION FROM AGENT/ENTITY REQUESTING PAYMENT**

1. Service for which payment is requested:  Furnishing Title Evidence  
 Title Examination  
 Closing the Transaction

Address of location where work was done for selected service(s):  
\_\_\_\_\_

Order/File/GF Number assigned to this order by Agent/Entity doing the work:  
\_\_\_\_\_

2. AGREEMENT REGARDING PAYMENT FOR SERVICE: Percentage or amount of premium (remaining after remittance to Underwriter) agreed to be paid to the Agent/Entity doing the work:

\_\_\_\_\_ % or \$ \_\_\_\_\_

3. INFORMATION ABOUT AGENT/ENTITY DOING THE WORK:

Type of entity:  Texas Underwriter  Texas Title Agent  
 Texas Attorney at Law or Texas PC organized to provide legal services

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State/ZIP \_\_\_\_\_

Firm ID Number or Texas State Bar Number: \_\_\_\_\_

**Undersigned certifies that the service for which payment is requested was actually performed.**

\_\_\_\_\_  
Signature of Authorized Representative

Date: \_\_\_\_\_

Exhibit 2017-2  
Form T-00, Verification of Services Rendered

for Agent/Entity Doing the Work

**SECTION 2 – INFORMATION FROM AGENT/UNDERWRITER ISSUING THE POLICY**

4. Date of Policy (ies): \_\_\_\_\_ County Code(s): \_\_\_\_\_  
Order/File/GF Number assigned to this Policy (ies) by Issuing Agent/Underwriter:  
\_\_\_\_\_

5. Issue Type:             Out-of-County (2) – Title Evidence from Texas Agent  
                                   Multi-County (1) – Title Evidence from Texas Agent  
                                   Best Evidence (0) – No title evidence from Texas Agent

6. Liability and Premium Amount(s):

Owner Title Policy (ies)	Liability: \$ _____	Premium: _____
Mortgagee Policy (ies)	Liability: \$ _____	Premium: \$ _____
Endorsement(s)		\$ _____
Other		\$ _____
	TOTAL	\$ _____

Final amount remaining after remittance to the Underwriter:            \$ \_\_\_\_\_  
 Final amount paid to the Agent/Entity doing the work:                 \$ \_\_\_\_\_

**7. INFORMATION ABOUT AGENT/UNDERWRITER ISSUING POLICY:**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State/ZIP: \_\_\_\_\_  
 Firm ID Number: \_\_\_\_\_

**SECTION 3 – INFORMATION FROM AGENT/UNDERWRITER PAYING FOR THE WORK**

**8. INFORMATION ABOUT AGENT/UNDERWRITER PAYING FOR THE WORK:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State/ZIP \_\_\_\_\_

Firm ID Number: \_\_\_\_\_

Order/File/GF Number assigned to this order by Agent/Underwriter paying for the work

\_\_\_\_\_

**Undersigned certifies that the above description of work performed is accurate and the final amount shown paid is correct.**

\_\_\_\_\_  
Signature of Authorized Representative  
for Agent/Underwriter Paying for the Work

Date: \_\_\_\_\_

Exhibit 2017-3  
Form T-G1, Policy Guaranty Fee Remittance Form

**Policy Guaranty Fee Remittance Form (Form T-G1)**

By: \_\_\_\_\_  
(Name of Reporting Entity) (Phone Number)

\_\_\_\_\_  
(Address) (Fax Number)

\_\_\_\_\_  
(City, State, and Zip) (Email address)

Firm ID Number as shown on the Agent/Direct Operation License:

\_\_\_\_\_

\_\_\_ Check here if any of the information above has changed since your last report.

\_\_\_ Check here if you are ceasing operations and this is a final disbursement of funds to the Texas Title Insurance Guaranty Association.

For the Quarter:

Beginning: \_\_\_\_\_, 20\_\_\_ Ending: \_\_\_\_\_, 20\_\_\_

Owner's and Loan Policies collected for: \_\_\_\_\_ X (insert current amount in effect by Texas Title Insurance Guaranty Association) = \$\_\_\_\_\_

**If you had no closings during the quarter and no policy guaranty fees were received, please enter "0" and mail this form.**

Total Remittance of Policy Guaranty Fee Payable to:  
Texas Title Insurance Guaranty Association = \$\_\_\_\_\_

I, \_\_\_\_\_ of \_\_\_\_\_  
do hereby certify that the above and foregoing is correct in all respect and correctly reflects all owner's and loan policies of title insurance required to be reported and counted in determining the quarterly policy guaranty fees due by \_\_\_\_\_ pursuant to Texas Insurance Code §2602.151.

\_\_\_\_\_  
Signature  
Printed Name & Position \_\_\_\_\_  
Contact Number \_\_\_\_\_

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_.

Exhibit 2017-3  
Form T-G1, Policy Guaranty Fee Remittance Form

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Notary Public in and for the State of Texas

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Printed Name of Notary

REMIT TO:  
Texas Title Insurance Guaranty Association  
[Current Address]

FOR OVERNIGHT DELIVERY:  
Texas Title Insurance Guaranty Association  
[Current Address]

**Note: This report and remittance is due as follows:**

Calendar Quarter Ending  
March 31  
June 30  
September 30  
December 31

Remittance Due Dates  
May 1  
August 1  
November 1  
February 1

**Solvency Account Release Request (Form T-S3)**

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**Title Agent's Name**

**Firm ID Number**

**Financial institution Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

In accordance with Insurance Code §2651.0121(i), title agent has voluntarily ceased to engage in business, has surrendered the agent's license and is liquidating the agent's assets. Title agent requests that the Commissioner authorize release of the solvency account identified above to the title agent.

Title agent has performed the following actions:

- Conducted a final audit of the Agent's trust fund accounts, the records pertaining thereto and the unused forms in Agent's possession, in accordance with §§2651.151-157 and 2651.251-253, Insurance Code.
- Surrendered all pending files and outstanding commitments, to the appropriate Companies.
- Sent written notice to all interested parties in pending transactions of the names and contact information of the Companies that have custody or control of the files.
- Transferred all escrow accounts and investment accounts, which have not been fully disbursed, to the appropriate Companies for the benefit of the parties to pending transactions and the general public.
- Title Agent has merged or consolidated or effected the equivalent of a merger or consolidation with another title agent which maintains the amount of unencumbered assets that would be required for the survivor.
- Title Agent initially used a solvency account but now uses an alternative form of unencumbered assets to comply with Insurance Code §2651.012.

In accordance with §2651.0121(j), Insurance Code, the commissioner shall issue an order authorizing the financial institution in which the solvency account is held to release all or part of the account balance to the agent or the agent's principal office within 60 days of the receipt of two executed originals of this Form T-S3. If the commissioner does not enter the order within the

Exhibit 2017-4  
Form T-S3, Solvency Account Release Request

prescribed period, the application is denied and the title agent may seek any relief as allowed by law.

**Acknowledgment of Receipt**

On behalf of the Commissioner of Insurance the undersigned hereby acknowledges receipt of this Solvency Account Release Request (Form T-S3) from Title Agent on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**Commissioner of Insurance**

\_\_\_\_\_

By: \_\_\_\_\_  
(Name of Officer)

\_\_\_\_\_  
(Title of Officer)



**Financial Matter Disclosure Report (Form T-S4-A)**

**Instructions: Please use this form when submitting a financial matter that would reasonably call into question the solvency of an appointed title agent for review by the Texas Department of Insurance.**

In accordance with §2651.011(b) of the Insurance Code, only a person authorized by the title insurance company, as authorized under the "Annual Report of Underwriter's Officers Authorized to Provide Information On Agent Financial Matters" Form Number (T-S4), may submit the information below. Information provided under this form is privileged communication and may not be disclosed to the public except as evidence in an administrative hearing or proceeding. Information provided under this form is not subject to Chapter 552, Government Code, except that the Commissioner may release information that the Commissioner received under §2651.011(b) to a title insurance company that has appointed, or that is considering appointing, the title agent. The Commissioner may also release information that the Commissioner receives by this form to the title agent under §2651.206 of the Insurance Code if the information is evidence on which an audit report or examination report relies. A title insurance company that receives information under Administrative Rule S.4 may not release the information except under a subpoena issued by a court of competent jurisdiction.

Please print or type information.

**Title Insurance Company:** \_\_\_\_\_ **TDI Company Number:** \_\_\_\_\_  
**Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_  
**Business Phone with Area Code:** \_\_\_\_\_ **Date of this Report:** \_\_\_\_\_  
**Name of Title Insurance Company** \_\_\_\_\_ **E-mail address:** \_\_\_\_\_  
**Authorized**

**Representative:** \_\_\_\_\_

**Signature of Title Insurance Company Authorized Representative:** \_\_\_\_\_

**Financial Matter:**  
 Defalcation  Fraud  Unusual Policy Remittance Activity  Cessation of Business  
 Bankruptcy/Creditor Issue  Insolvency  Unusual Claims Activity  
 Other

**Title Agent Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Firm ID Number:** \_\_\_\_\_

Exhibit 2017-5  
Form T-S4-A, Financial Matter Disclosure Report

**Brief synopsis of the financial matter, including any detailed information that will help us identify the parties, companies, and transactions. If necessary, attach additional documentation of the financial matter.**

Exhibit 2017-6  
Form T-S1, Title Agent's Unencumbered Assets Certification

**Title Agent's Unencumbered Assets Certification (Form T-S1)**

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**Title Agent's Name**

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**Date of Review**

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**Firm ID Number**

The title agent meets the requirements of Insurance Code §2651.012 by the following means:

- solvency account in accordance with Insurance Code §2651.0121
- letter of credit
- surety bond in accordance with Insurance Code §2651.012(c)(1) - (4)
- items contained in Insurance Code §2651.012(a)(2)(A) - (D)

The management of \_\_\_\_\_ **[name of title agent]** has reviewed the condition of the title agent's unencumbered assets as of the date of review set forth above. The review includes the documents evidencing the title agent's unencumbered assets and account information maintained by \_\_\_\_\_ **[name of title agent]**. The documents evidencing the title agent's unencumbered assets and account information are the responsibility of the title agent's management. It is the title agent's management's responsibility to certify as to the financial condition of the title agent's unencumbered assets.

**The undersigned officer of the title agent specified above hereby certifies that:**

I am legally authorized to make this certification. The examination by the management of the title agent of the documents evidencing the title agent's unencumbered assets and account information has determined, as of the date of review set forth above, that the unencumbered assets of the title agent exceed its liabilities, exclusive of the value of its abstract plants, as required by Insurance Code §2651.012.

Exhibit 2017-6  
Form T-S1, Title Agent's Unencumbered Assets Certification

*The title agent  maintains/  does not maintain a solvency account with a Financial Institution in this state. For fiscal year 20\_\_\_\_, the principal balance of the title agent's solvency account, if maintained,  exceeds /  does not exceed the amount that would have been required to be maintained if the title agent had no solvency account and fell under the schedule established by the commissioner by rule under §2651.012(g) of the Insurance Code. As of the date of review set forth above, the amount of the overage/excess, if any, is \$\_\_\_\_\_.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number      \_\_\_\_\_  
Extension

\_\_\_\_\_  
City/State/Zip Code

\_\_\_\_\_  
E-mail Address

Administrative Rule 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

**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**

**I. Minimum Capitalization Standards.**

A. A title insurance agent must maintain unencumbered assets with a market value in excess of liabilities, exclusive of abstract plants, as specified in Insurance Code §2651.012(c)(1) - (c)(4).

B. In accordance with Insurance Code §2651.012(a)(2), unencumbered assets are defined as follows:

- (1) cash or cash equivalents;
- (2) liquid assets that have a readily determinable market value and that do not have any lien against them;
- (3) real estate, in excess of any encumbrances;
- (4) investments, such as mutual funds, certificates of deposit, and stocks and bonds;
- (5) a surety bond, the form and content of which shall be prescribed by the commissioner in accordance with this code;
- (6) a deposit made in accordance with Insurance Code §2651.102;
- (7) a letter of credit that meets the requirements of Insurance Code §493.104(b)(2)(C); and
- (8) a solvency account that meets the requirements of Insurance Code §2651.0121.

**II. Schedule for Compliance With Minimum Capitalization Standards.**

A. A title agent that holds a license on September 1, 2013, and that has held the license for at least three years as of that date is not required to comply with the minimum capitalization standards specified in subsection I of this rule on September 1, 2013. However, the title agent shall increase the unencumbered assets held by the agent, or make and increase the required deposit, until the agent is in compliance with the required capitalization amounts in accordance with the schedule established under this subsection. The agent must hold unencumbered assets, or make a deposit in an amount, such that:

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Administrative Rule 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

- (1) If, on September 1, 2013, the agent has been licensed less than four years:
  - (a) the agent has at least 33 percent of the required capitalization amount on November 1, 2014;
  - (b) the agent has at least 66 percent of the required capitalization amount on November 1, 2015; and
  - (c) the agent has at least 100 percent of the required capitalization amount on November 1, 2016;
- (2) if, on September 1, 2013, the agent has been licensed at least four years but less than five years:
  - (a) the agent has at least 25 percent of the required capitalization amount on November 1, 2014;
  - (b) the agent has at least 50 percent of the required capitalization amount on November 1, 2015;
  - (c) the agent has at least 75 percent of the required capitalization amount on November 1, 2016; and
  - (d) the agent has at least 100 percent of the required capitalization amount on November 1, 2017;
- (3) if, on September 1, 2013, the agent has been licensed at least five years but less than six years:
  - (a) the agent has at least 20 percent of the required capitalization amount on November 1, 2014;
  - (b) the agent has at least 40 percent of the required capitalization amount on November 1, 2015;
  - (c) the agent has at least 60 percent of the required capitalization amount on November 1, 2016;
  - (d) the agent has at least 80 percent of the required capitalization amount on November 1, 2017; and
  - (e) the agent has at least 100 percent of the required capitalization amount on November 1, 2018;

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Administrative Rule 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

(4) if, on September 1, 2013, the agent has been licensed at least six years but less than seven years:

- (a) the agent has at least 16.66 percent of the required capitalization amount on November 1, 2014;
- (b) the agent has at least 33.32 percent of the required capitalization amount on November 1, 2015;
- (c) the agent has at least 49.98 percent of the required capitalization amount on November 1, 2016;
- (d) the agent has at least 66.64 percent of the required capitalization amount on November 1, 2017;
- (e) the agent has at least 83.3 percent of the required capitalization amount on November 1, 2018; and
- (f) the agent has at least 100 percent of the required capitalization amount on November 1, 2019;

(5) if, on September 1, 2013, the agent has been licensed at least seven years but less than eight years:

- (a) the agent has at least 14.29 percent of the required capitalization amount on November 1, 2014;
- (b) the agent has at least 28.58 percent of the required capitalization amount on November 1, 2015;
- (c) the agent has at least 42.87 percent of the required capitalization amount on November 1, 2016;
- (d) the agent has at least 57.16 percent of the required capitalization amount on November 1, 2017;
- (e) the agent has at least 71.45 percent of the required capitalization amount on November 1, 2018;
- (f) the agent has at least 85.74 percent of the required capitalization amount on November 1, 2019; and
- (g) the agent has at least 100 percent of the required capitalization amount on November 1, 2020;

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Administrative Rule 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

(6) if, on September 1, 2013, the agent has been licensed at least eight years but less than nine years:

(a) the agent has at least 12.5 percent of the required capitalization amount on November 1, 2014;

(b) the agent has at least 25 percent of the required capitalization amount on November 1, 2015;

(c) the agent has at least 37.5 percent of the required capitalization amount on November 1, 2016;

(d) the agent has at least 50 percent of the required capitalization amount on November 1, 2017;

(e) the agent has at least 62.5 percent of the required capitalization amount on November 1, 2018;

(f) the agent has at least 75 percent of the required capitalization amount on November 1, 2019;

(g) the agent has at least 87.5 percent of the required capitalization amount on November 1, 2020; and

(h) the agent has at least 100 percent of the required capitalization amount on November 1, 2021; and

(7) if, on September 1, 2013, the agent has been licensed at least nine years:

(a) the agent has at least 11.11 percent of the required capitalization amount on November 1, 2014;

(b) the agent has at least 22.22 percent of the required capitalization amount on November 1, 2015;

(c) the agent has at least 33.33 percent of the required capitalization amount on November 1, 2016;

(d) the agent has at least 44.44 percent of the required capitalization amount on November 1, 2017;

(e) the agent has at least 55.55 percent of the required capitalization amount on November 1, 2018;



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Administrative Rule 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

(f) the agent has at least 66.66 percent of the required capitalization amount on November 1, 2019;

(g) the agent has at least 77.77 percent of the required capitalization amount on November 1, 2020;

(h) the agent has at least 88.88 percent of the required capitalization amount on November 1, 2021; and

(i) the agent has at least 100 percent of the required capitalization amount on November 1, 2022.

B. On or after the effective date of this rule, a title agent that applies for its first license and that does not elect to utilize a solvency account shall be required to hold unencumbered assets or make a deposit in an amount such that the agent has 100% of the required capitalization specified in subsection I of this rule as a condition precedent to the issuance of a new license.

C. With respect to the schedule for compliance with the minimum capitalization amounts, the start date for the time that a title agent has been licensed is the date on which the title agent was first assigned a Firm ID or Title Agent Company ID Number by the Department in connection with the issuance of the title agent's initial license.

(1) When a person acquires a title agent by inheritance, resulting in a change of ownership or control of a title agent as specified in Administrative Rule L-1 V, Change in Operations, paragraph B, which requires a new license, the start date of the new license is the date of the Firm ID or Title Agent Company ID Number of the acquired title agent.

(2) In a non-inheritance transfer, when there is a change of ownership or control of a title agent as specified in Administrative Rule L-1 V, Change in Operations, paragraph B, and a new license is issued, the commissioner may, upon petition of the acquiring title agent, order that the start date of the new license be the date of the Firm ID or Title Agent Company ID Number of the acquired title agent. The acquiring agent's petition must make and support the following assertions:

(i) that the title agent to be acquired is financially distressed or reasonably likely to become financially distressed; and

(ii) that the acquiring title agent has the means to rehabilitate the distressed title agent and is worthy of the public trust to accomplish that goal. Support for this provision includes evidence that the acquiring title agent has ample funds and experience to accomplish the rehabilitation, and that the acquiring title agent has never before owned or operated a failed title

Administrative Rule 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

agent.

(3) In the event of the merger, consolidation, or other combination of two or more title agents, the start date of the survivor or new entity resulting from the combination is the date on which the survivor or oldest entity was first assigned a Firm ID or Title Agent Company ID Number by the Department in connection with the issuance of the survivor's or oldest entity's initial license before the consummation of the merger, consolidation, or other combination.

D. The minimum capitalization amounts specified in subsection I of this administrative rule and the schedule for attaining the required capitalization amounts specified in subsection II of this administrative rule shall take effect on July 3, 2014. If the scheduled dates set forth in subsection II of this rule occur before July 3, 2014, those scheduled dates shall be extended so as to give effect to this paragraph.

E. If a title agent utilizes a solvency account in accordance with §2651.0121 of the Insurance Code and Administrative Rule S.2, then the required capitalization may be accumulated in accordance with Administrative Rule S.2.

### **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, 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](http://www.tdi.texas.gov).

D. Any certification form submitted pursuant to this subsection should be filed with the Texas Department of Insurance, Title Examinations, P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701, or by email to [TitleExaminations@tdi.texas.gov](mailto: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

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Administrative Rule S.1, Minimum Capitalization Standards For Title Agents Pursuant To §2651.012 And  
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provide written notice to the Texas Department of Insurance, Title Examinations, P.O. Box 149104, Austin, Texas 78714-9104 or 333 Guadalupe, Austin, Texas 78701 that such deposit has been made and that such deposit meets the title agent's statutory capitalization requirement.

**Title Agent Certification of Agent's Quarterly Tax Reports (Form T-S5)**

**Title Agent's Name** \_\_\_\_\_

**Reporting for Year** \_\_\_\_\_

**Calendar Quarter Ending** \_\_\_\_\_

**Date Report Submitted** \_\_\_\_\_

**TDI Agent's Firm ID Number** \_\_\_\_\_

**I hereby certify that for the calendar quarter and year specified above:**

A copy of the quarterly withholding tax report filed with the United States Internal Revenue Service (IRS) or its equivalent and evidence that the taxes have been paid are attached.

I did not have any employees for whom I was required to withhold taxes, I did not file a quarterly withholding tax report and that there has not been a material change in the financial condition of my title agency.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address (line 1)

\_\_\_\_\_  
Address (line 2)

\_\_\_\_\_  
City/State/Zip Code

Exhibit 2017-8  
Form T-S5, Title Agent Certification of Agent's Quarterly Tax Reports

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Phone Number

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Extension

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Email Address

**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, 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, 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](http://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.

Exhibit 2017-10  
Procedural Rule P-19, Pending Disbursements

**P-19. Pending Disbursements**

When a Loan Policy is to be issued and the full proceeds of the loan have not been disbursed by the insured therein, the "Pending Disbursement" paragraph in Procedural Rule P-8.b.(1) must be inserted as an exception to said policy.

When the full proceeds of the loan have been disbursed by the insured, the exception provided for above may be eliminated by the issuance of the promulgated endorsement form containing the appropriate language to effect such elimination.

**P-64. Subordinate Liens and Leases - Pursuant to Procedural Rule P-11.b.(8)**

- A. When issuing a Loan Policy insuring the validity and priority of a lien, the issuer shall not be required to itemize liens and leases that affect the title to the estate or interest, which are subordinate to the lien insured, either by express subordination or by operation of law, unless requested to do so in writing by the insured.
- B. If requested in writing prior to issuance of the policy, paragraph 4 of Schedule B of the Loan Policy (T-2) may be deleted. In such case
  - 1. The subordinate lien(s) and lease(s), if any, shall be excepted in Schedule B and
  - 2. The Company may insure therein such lien(s) and lease(s) are subordinate.
  - 3. When insuring that a lien or lease is subordinate to the lien of the insured mortgage, the Company shall state, following the Exception: "Company insures the insured against loss, if any, sustained by the insured under the terms of the Policy if this item is not subordinate to the lien of the insured mortgage."
- C. When issuing a Loan Title Policy Binder on Interim Construction Loan, the Company shall be required to show all subordinate liens in Schedule B-Part 2 of said binder, but a statement may be made therein that such lien(s) is subordinate.



**Texas Residential Limited Coverage Junior Loan Policy Combined Schedule (Form T-44)**

Policy No. [Premium: \$ \_\_\_\_\_.]

Amount of Insurance: \$ Date of Policy:

Name of Insured:

Grantee (on the latest document recorded in the public records purporting to vest title):

Recent Home Equity Mortgage (recorded in the public records within 12 months before the Date of Policy): [Insert recording information of mortgage or deed of trust and any release thereof or state: "This item is hereby deleted."]

Other Home Equity Mortgages (recorded in the public records more than 12 months before the Date of Policy and effecting the title): [Insert recording information or state: "This item is hereby deleted."]

The land referred to in this policy is described as follows:

**EXCEPTIONS**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of the following exceptions. By excepting to any matter, the Company does not represent the priority or validity of the matter:

A. Standby fees, taxes or assessments by any taxing authority.

B. Monetary liens and applicable recorded item(s) [Insert Item description(s) and recording information.]

(1) Any Home Equity Mortgage affecting the title described in this Combined Schedule.  
(May be deleted if none described in this Combined Schedule)

(2) [Describe Monetary Liens]

**ARTICLE 9.38 (c) of the TEXAS INSURANCE CODE - DISCLOSURE**

1. Each shareholder, owner, or partner having, owning, or controlling one percent or more of the title insurance agent:

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2. Each shareholder, owner, or partner having, owning, or controlling 10 percent or more of an entity that has, owns, or controls one percent or more of the title insurance agent:

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3. Any person who is not a full-time employee of the title insurance agent and who receives any portion of the title insurance premium for services performed on behalf of the title insurance agent in connection with the issuance of this title insurance form:

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4. The amount of premium that any person disclosed in accordance with Subdivision (3) of this disclosure shall receive:

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Authorized Countersignature

\_\_\_\_\_  
(Printed Name of the Title Insurance Company)

(Signature) \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
(Agent or Direct Operation or Title Insurance Company)

By \_\_\_\_\_

**TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY**

**Issued By**

**BLANK TITLE INSURANCE COMPANY**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS AND THE CONDITIONS AND STIPULATIONS HEREOF, and provided that the land is a one-to-four family residence or condominium unit, Blank Title Insurance Company, a corporation, herein called the Company, insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Grantee shown on the Combined Schedule not being the named grantee on the latest document recorded in the public records purporting to vest title to the fee estate in the land or the description of the land in this policy not being the same as that contained in said document.

2. At Date of Policy, the Recent Home Equity Mortgage, if any, shown on the Combined Schedule to this policy not being the latest Home Equity Mortgage recorded in the public records.
3. At Date of Policy, any Other Home Equity Mortgage not shown on the Combined Schedule to this policy affecting the title, recorded in the public records.
4. Any other Monetary Lien affecting the title, recorded in the public records subsequent to the latest document recorded in the public records purporting to vest title to the fee estate in the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the Insured, but only to the extent provided in the Conditions and Stipulations.

[Witness Clause]

BLANK TITLE INSURANCE COMPANY

BY: \_\_\_\_\_

PRESIDENT

BY: \_\_\_\_\_

SECRETARY

### **EXCLUSIONS FROM COVERAGE**

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

1. Any invalidity, unenforceability, lack of priority, or ineffectiveness of the Insured's Mortgage.
2. Any invalidity, unenforceability, lack of priority or ineffectiveness of any of the instruments or other matters shown in the Exceptions in this Policy or as exceptions in any Endorsement to this Policy.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) known to the Insured Claimant whether or not disclosed in the public records;
  - (c) resulting in no loss or damage to the Insured Claimant; or
  - (d) recorded or filed in the public records subsequent to Date of Policy.
4. The land not being owned by the Grantee.
5. Claims of:

- (a) usury,
- (b) any consumer credit protection law (including, but not limited to Subsections (a)(6),(g) and (t) of Section 50, Article XVI, Texas Constitution and any statutory or regulatory requirements; or
- (c) bankruptcy or insolvency proceedings of Grantee.

## CONDITIONS AND STIPULATIONS

### 1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named herein. The term also includes the owner of the indebtedness secured by the insured's mortgage. The Company reserves all rights and defenses against any insured acquiring an interest in the Insured's mortgage subsequent to Date of Policy which the Company would have had against the insured named herein or any subsequent insured.
- (b) "insured claimant": an insured claiming loss or damage hereunder.
- (c) "insured's mortgage": the mortgage or deed of trust shown in paragraph B of an Endorsement Form T-45 attached to this policy.
- (d) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of any public records.
- (e) "land": the land described herein and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to herein, nor any right, title, interest, estate or easement in abutting streets, roads, alleys, avenues, lanes, ways or waterways.
- (f) "Monetary Lien": any mortgage, deed of trust, judgment lien or other lien affecting the title securing the obligation to pay money, but not including any lien created in any easement, covenant, condition, restriction, or declaration of condominium or planned unit development, except to the extent that a separate notice of endorsement of a specific delinquent charge or assessment affecting the title has been recorded in the public records.
- (g) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (h) "Home Equity Mortgage": any mortgage or deed of trust recorded in the public records which discloses that the extension of credit secured by the mortgage or deed of trust is the type of extension of credit defined by subsection (a)(6) of Section 50, Article XVI, Texas Constitution.

(i) "Recent Home Equity Mortgage": any mortgage or deed of trust that describes the land, recorded in the public records within 12 months before the date of policy which discloses that the extension of credit secured by the mortgage or deed of trust is the type of extension of credit defined by subsection (a)(6) of Section 50, Article XVI, Texas Constitution.

(j) "Other Home Equity Mortgage": any mortgage or deed of trust affecting title and recorded in the public records more than 12 months before the date of policy which discloses that the extension of credit secured by the mortgage or deed of trust is the type of extension of credit defined by subsection (a)(6) of Section 50, Article XVI, Texas Constitution.

(k) "affecting the title": encumbering the title and not invalid or unenforceable because of applicable law or because effectively released. However, neither this policy nor any endorsement to the policy insures that any matter excepted in the policy or endorsement is valid or enforceable.

## 2. DEFENSE AND PROSECUTION OF ACTIONS - NOTICE OF CLAIM TO BE GIVEN BY AN INSURED CLAIMANT

(a) Upon written request by the Insured and subject to the options contained in Section 4 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim which may cause loss or damage, but only as to those stated causes of action alleging a matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The insured shall notify the Company promptly in writing in case (i) of any litigation as set forth in (a) above, (ii) knowledge shall come to an Insured hereunder of any adverse claim which might cause loss or damage for which the Company may be liable by virtue of this policy.

If prompt notice shall not be given to the Company, then all liability of the Company shall cease and terminate in regard to the matter or matters for which prompt notice is required; provided, however, the failure to notify shall in no case prejudice the rights of any Insured under this policy unless and except to the extent that the Company shall be prejudiced by the failure.

Subject to the provisions of the policy, if the Insured acquires all or part of the estate or interest in the land by foreclosure of the Insured's Mortgage, trustee's sale pursuant to the Insured's Mortgage, conveyance in lieu of foreclosure of the Insured's Mortgage, or other legal manner which discharges the Insured's Mortgage, and the Insured notifies the Company as required herein of a Monetary Lien, or other matter insured against by this policy, the Company shall promptly investigate the charge to determine whether the Monetary Lien, other matter insured against is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the Monetary Lien, or other matter is not covered by this policy, or was otherwise addressed when this policy was

issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the Monetary Lien, or other matter is valid and insured against by this policy, the Company shall take one of the following actions: (1) institute the necessary proceedings to clear the Monetary Lien, or other matter from the title to the estate or interest in the land; (2) indemnify the Insured as provided in this policy; (3) upon payment of appropriate premium and charges therefor, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the land, a policy of title insurance without exception for the Monetary Lien, or other matter insured against, said policy to be in an amount equal to the current value of the property or, if a loan policy, the amount of the loan; (4) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the Monetary Lien, or other matter insured against; (5) secure a release or other document discharging the Monetary Lien, or other matter insured against; or (6) undertake a combination of (1) through (5) herein.

(c) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to prevent or reduce loss or damage insured against by this policy; and the Company may take any appropriate action, whether or not it shall be liable under the terms of this policy, and shall not thereby concede liability or waive any provision of this policy.

(d) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(e) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Insured for such purpose. Whenever requested by the Company, the Insured shall give the Company, at the Company's expense, all reasonable aid (i) in any action or proceeding, effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending the action or proceeding, and (ii) in any other act which in the opinion of the Company may be necessary or desirable to prevent or reduce loss or damage insured against by this policy, including but not limited to executing corrective or other documents.

### 3. PROOF OF LOSS OR DAMAGE - LIMITATION OF ACTION

In addition to the notices required under Section 2 of these Conditions and Stipulations, a proof of loss or damage, signed and sworn to by the Insured Claimant shall be furnished to the company within 91 days after the Insured Claimant shall ascertain or determine the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matter insured against by this policy which constitutes the basis of loss or damage and when appropriate, state the basis of calculating the amount of the loss or damage.

Should the proof of loss or damage fail to state facts sufficient to enable the Company to determine its liability hereunder, Insured Claimant, at the written request of Company, shall furnish such additional information as may reasonably be necessary to make such determination.

Failure to furnish the proof of loss or damage shall terminate any liability of the Company under this policy as to such loss or damage.

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

In case of a claim under this policy, the Company shall have the right to exercise the following additional options at any time:

- (a) To Pay or Tender Payment of the amount of insurance or to Purchase Indebtedness.
  - (i) to pay or tender payment of the Amount of Insurance under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
  - (ii) to purchase the indebtedness secured by the Insured's mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the Insured's mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of either of the options provided for in paragraphs (a)(i) or (a)(ii), all liability and obligations to the Insured under this policy, other than to make the payment required to be made in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

- (b) To Pay or Otherwise Settle With Parties Other than the Insured or with the Insured Claimant.
  - (i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
  - (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy together with any costs, attorneys' fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (b)(ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than to payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

## 5. DETERMINATION AND PAYMENT OF LOSS

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 and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the amount of insurance stated in the Combined Schedule;

(ii) the amount of the unpaid principal indebtedness secured by the Insured's Mortgage at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the equity in the estate or interest in the land without the Monetary Lien or other matter insured against and the value of the equity in that estate or interest subject to the Monetary Lien or other matter insured against by this policy.

(b) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 2 of these Conditions and Stipulations

(c) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

## 6. LIMITATION OF LIABILITY

(a) If the Company removes an alleged matter insured against by this policy, or takes action in accordance with Section 2 or Section 4, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the Insured with respect to matters insured against by this policy.

(c) The Company shall not be liable for loss or damage to any Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

## 7. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

## 8. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have paid or settled a claim under this policy, it shall be subrogated to the rights of the Insured Claimant unaffected by any act of the Insured Claimant, limited only by the amount paid by the Company. The Insured Claimant shall cooperate with the Company in enforcing these subrogation rights.

## 9. ARBITRATION.

Unless prohibited by applicable law, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association.



Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters SHALL BE arbitrated at the option of either the Company or the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules. A copy of the Rules may be obtained from the Company upon request.

#### 10. LIABILITY LIMITED TO THIS POLICY

This policy together with all Endorsements, attached hereto by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

Any claim of loss or damage, whether or not based on negligence, or any action asserting any claim, shall be restricted to the terms and provisions of this policy.

No amendment of or Endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, validating officer or authorized signatory of the Company.

No payment shall be made without producing this policy for Endorsement of the payment unless the policy is lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

#### 11. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision, and all other provisions shall remain in full force and effect.

#### 12. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company, Attention: Claims Department.

**Texas Residential Limited Coverage Junior Loan Policy Down Date Endorsement (Form T-45)**

Attached to and made a part of Blank Title Insurance Company  
Texas Residential Limited Coverage Junior Loan Policy No. \_\_\_\_\_ (herein the "Policy")

Issued By  
**BLANK TITLE INSURANCE COMPANY**

Date of Endorsement: \_\_\_\_\_

A. The Company hereby insures against loss or damage sustained by the Insured resulting from:

(1) Any document recorded in the public records subsequent to Date of Policy and on or prior to Date of Endorsement which purports to vest the title to the fee estate in the land, except: [Insert Item description(s) and recording information or delete immediately preceding word, "except."]

(2) Any Home Equity Mortgage recorded in the public records subsequent to Date of Policy and on or prior to Date of Endorsement, except: [Insert Item description(s) and recording information or delete immediately preceding word, "except".]

(3) Any Monetary Lien other than: (i) the Insured's Mortgage shown in paragraph B below, or (ii) any specific Home Equity Mortgage described in item A(2) above, recorded in the public records subsequent to Date of Policy and on or prior to Date of Endorsement which affects the title, except: [Insert Item description(s) and recording information or delete immediately preceding word, "except."]

B. The Insured's Mortgage referred to in the policy is described as follows:

C. This Endorsement does not insure:

(1) That the Grantee owns the land nor that the Insured's Mortgage creates a lien on the land, nor the validity, enforceability, or priority of the lien of the Insured's Mortgage; or

(2) Against loss or damage resulting from (i) usury, (ii) any consumer credit protection law (including, but not limited to Subsections (a)(6), (g), and (t) of Section 50, Article XVI, Texas Constitution and any statutory or regulatory requirements pursuant thereto) or truth in lending law, or (iii) bankruptcy or insolvency proceedings of the Borrower; or

(3) Against standby fees, taxes and assessments by any taxing authority.

This Endorsement, when countersigned below by an Authorized Countersignature, is made a part of the policy. This Endorsement is subject to the Exceptions in the policy and Items set forth as exceptions in any prior Endorsements. Except as expressly modified by the provisions

Exhibit 2017-13

Form T-45, Texas Residential Limited Coverage Junior Loan Policy Down Date Endorsement

hereof, this Endorsement is also subject to the following policy matters: (i) Insuring Provisions; (ii) Exclusions From Coverage; and (iii) the Conditions and Stipulations. Except as stated herein, this Endorsement does not: (i) extend the effective date of the policy and/or any prior Endorsements; (ii) increase the face amount of the policy; or (iii) modify any of the provisions of the Combined Schedule of the policy.

[The Company may add the following if it considers the risk insurable and if the Insured's Mortgage is described in Paragraph B of this Endorsement: "Date of Endorsement is the date shown above or the date of recording of the Insured's Mortgage, whichever is later."]

[Witness Clause]

**BLANK TITLE INSURANCE COMPANY**

BY: \_\_\_\_\_  
AUTHORIZED SIGNATORY

## **P-9. Endorsement of Owner's or Loan Policies**

### **a. Owner's Policy**

(1) Leasehold Endorsements - When an Owner's Policy of Title Insurance (Form T-1) is to be issued on a leasehold estate in the land, the Company shall attach to the said Owner's Policy (Form T-1) the Leasehold Owner's Policy Endorsement (Form T-4). When a Residential Owner's Policy of Title Insurance -- One-To-Four Family Residences (Form T-1R) is to be issued on a leasehold estate in the land, the Company shall attach the Residential Owner's Leasehold Endorsement (Form T-4R) to the Residential Owner's Policy -- One-To-Four Family Residences (Form T-1R). The Owner's Policy shall show that the estate being insured is a leasehold and exceptions shall be shown under Schedule B to all of the terms, provisions, and conditions of said lease creating such leasehold estate.

(2) Increased Value Endorsement - When an insured under an Owner's Policy shall have satisfied the Company as to the current value of the estate or interest insured by such Owner's Policy, and shall have paid the premium provided for in Rate Rule R-15.a, the Company shall attach to the said Owner's Policy the Increased Value Endorsement (Form T-34).

(3) Completion of Improvements Endorsement - When an Owner's Policy is issued in the manner provided in Procedural Rule P-8.a, and the coverage thereunder increases as provided in Rate Rule R-2, Procedural Rule P-8, or otherwise as provided in these Rules, upon request and compliance with Rate Rule R-15.b, the title insurance company that issued the Owner's Policy may extend the effective date of the said Owner's Policy and state the amount then existing under such Policy by issuing the General Endorsement (Form T-3) containing the language provided in Endorsement Instruction VIII. Items (A) 1, 2, and 3 of that language may not be deleted.

(4) Supplemental Coverage Manufactured Housing Unit Endorsement - Where an Owner's Policy has been issued covering the land and a manufactured housing unit that has been affixed to the land so as to become part of the real property, the Company may, if it considers the additional risk insurable and if requested by the proposed insured, attach to the policy the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) upon the payment of the premium prescribed in Rate Rule R-15.c and all expenses required by the Company (such as survey and/or inspection).

### **b. Loan Policy**

(1) Assignment of Mortgage to Government Agencies - Where a Loan Policy has been issued covering the lien securing an indebtedness, and such indebtedness and lien have been subsequently sold, transferred, and assigned to Ginnie Mae and/or Fannie Mae and/or Secretary of Veterans' Affairs and/or Secretary of Housing and Urban Development, as their names may be changed from time to time, the Company that issued the original policy may issue a General

Exhibit 2017-14  
Procedural Rule P-9, Endorsement of Owner's or Loan Policies

Endorsement (Form T-3) containing the language provided in Endorsement Instruction III to show Ginnie Mae and/or Fannie Mae and/or Secretary of Veterans' Affairs and/or Secretary of Housing and Urban Development, or as their names may be changed from time to time as a party insured. The Company may issue the Endorsement upon payment of the premium prescribed by Rate Rule R-11.a. As a condition to the issuance of the Endorsement, the Company may require a showing from the assignor that such assignor has not accelerated the maturity of the indebtedness, or if it has, that there has been a proper reinstatement of the obligation. It shall be permissible for the Company to show the current owner of the fee simple title to the property in the said Endorsement.

(2) Assignment of Mortgage to Others - Except as to those loans secured by one-to-four family residential properties, the General Endorsement (Form T-3), containing the language provided in Endorsement Instruction III, may also be issued to assignees other than those set out in Procedural Rule P-9b(1) upon payment of the premium prescribed by Rate Rule R-11.a.

(3) Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement and/or Release from Personal Liability - When a Loan Policy has been issued covering the lien securing an indebtedness, and the holder of such Loan Policy desires to:

(a) release a part of the land described in Schedule A of said Policy; and/or

(b) release additional collateral securing indebtedness described in said Schedule A; and/or

(c) modify only one or more of the following items described in Schedule A of said policy: the mortgage, deed of trust, security instrument, guaranty or promissory note by entering into a Modification Agreement; and/or

(d) reinstate said mortgage or deed of trust by entering into a Reinstatement Agreement; and/or

(e) release the mortgagor(s) or other obligors from personal liability;

Upon payment of the premium prescribed by Rate Rule R-11.b, the Company that issued the original policy may issue a Loan Policy of Title Insurance Endorsement (Form T-38) thereto to show that policy coverage has not been reduced or terminated solely by virtue of the modification, reinstatement, or release.

An endorsement shall not be issued under this subparagraph (3) if:

(i) the modification agreement, reinstatement agreement or other instrument expressly creates or grants a lien or power of sale; or

(ii) the indebtedness secured by the lien of the insured mortgage or deed of trust is evidenced by a new promissory note; or

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Procedural Rule P-9, Endorsement of Owner's or Loan Policies

(iii) the insured mortgage or deed of trust is modified to secure additional principal indebtedness other than accrued or deferred interest on the specific indebtedness described on Schedule A of the policy or advances made pursuant to the terms of the original mortgage or deed of trust; or

(iv) the insured mortgage or deed of trust is cross-collateralized or otherwise modified to cover property not described on Schedule A of the policy.

(4) Down Date Endorsement - When a Loan Policy is issued in the manner provided in Procedural Rule P-8.b. and construction advances are being made subsequent to such issue, upon request and payment of the premium prescribed in Rate Rule R-11.c, the title insurance company that issued the Loan Policy may extend the effective date of the said Loan Policy and state the amount of coverage then existing under the policy, by issuing the General Endorsement (Form T-3), containing the language provided in Endorsement Instruction V. Items (A) 1, 2, and 3 of that language may not be deleted.

When a Loan Title Policy Binder on Interim Construction Loan is issued as provided in Procedural Rule P-16, and construction advances are being made subsequent to such issue, upon request and compliance with Rate Rule R-11.c, the title insurance company that issued the Loan Title Policy Binder on Interim Construction Loan may extend the effective date of the said Loan Title Policy Binder on Interim Construction Loan by issuing the General Endorsement (Form T-3) containing the language provided in Endorsement Instruction VII. Items (A) 1 and 2 of that language may not be deleted.

(5) Leasehold Endorsement - When a Loan Policy (Form T-2) is to be issued on a leasehold estate in the land, the Company shall attach to the said Loan Policy the Leasehold Loan Policy Endorsement (Form T-5). The Loan Policy shall show that the estate being insured is a leasehold and exception shall be shown under Schedule B to all of the terms, provisions, and conditions of the said lease creating such leasehold estate.

(6) Variable Rate Mortgage Loan Instruments - For purposes of this rule a "variable rate mortgage loan" shall be one that permits adjustments of the interest rate, with such adjustments being implemented through changes in the payment amount and/or in the outstanding principal loan balance or in the loan term. When a Loan Policy is to be issued insuring the lien securing a variable rate mortgage loan note, the company may attach to the Loan Policy the Variable Rate Mortgage Endorsement (Form T-33) or the Variable Rate Mortgage-Negative Amortization Endorsement (Form T-33.1) upon payment of any premium prescribed by Rate Rule R-11.d.

A Variable Rate Mortgage Endorsement (Form T-33) or a Variable Rate Mortgage-Negative Amortization Endorsement (Form T-33.1) may be issued and attached to a previously issued Loan Policy insuring a variable rate mortgage loan upon the payment of any applicable premium charge and compliance with the underwriting requirements of the Company.

Exhibit 2017-14  
Procedural Rule P-9, Endorsement of Owner's or Loan Policies

(7) **Manufactured Housing Endorsement and Supplement Coverage Manufactured Housing Unit Endorsement** - Where a Loan Policy has been issued covering the lien securing an indebtedness against land and a manufactured housing unit that has been affixed to the land covered by said lien so as to become part of the real property, the Company may, if it considers the additional risk insurable and if requested by the proposed insured, attach to the policy the Manufactured Housing Endorsement (Form T-31) or the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) upon the payment of the premium prescribed in Rate Rule R-11.e and all expenses required by the Company (such as survey and/or inspection). A company is not required to issue the Manufactured Housing Endorsement (Form T-31) in order to issue the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1).

(8) **Future Advance/Revolving Credit Endorsement (Form T-35)** – When a Loan Policy is to be issued to insure the validity and priority of a lien created by a mortgage or deed of trust that secures a revolving credit promissory note or other such indebtedness where:

(a) a line of credit of a specific amount is extended to a borrower for the term of indebtedness,

(b) the amount of indebtedness actually outstanding at any particular time is subject to fluctuations up or down due to future disbursements of loan proceeds and/or future repayments thereof from time to time over the term of the indebtedness (which disbursements and repayments are contemplated by the parties at the time the indebtedness is created), and

(c) 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).

The Future Advance/Revolving Credit Endorsement shall be available only where the mortgage or 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.

(9) **Environmental Protection Lien Endorsement** - When a Loan Policy is to be issued covering the lien securing an indebtedness against land used or to be used primarily for residential purposes, the company may, if it considers the risk insurable, attach to the policy the Environmental Protection Lien Endorsement (Form T-36) with any applicable exceptions in paragraph (b) upon the payment of the premium prescribed in Rate Rule R-11.g.

(10) **Balloon Mortgage Endorsement** - When a Loan Policy is to be issued on residential real property insuring a lien that contains a balloon rider, the Company may attach to the Loan Policy the Balloon Mortgage Endorsement (Form T-39). The balloon rider must contain a conditional right to refinance. The lien as originally created and described in the Loan Policy

Exhibit 2017-14  
Procedural Rule P-9, Endorsement of Owner's or Loan Policies

must contain the balloon rider. The Company must be paid the premium prescribed in Rate Rule R-11.h for issuance of the endorsement.

(11) First Loss Endorsement - A Company may issue the First Loss Endorsement (Form T-14) to a Loan Policy (Form T-2), if (1) its underwriting requirements are met, (2) other property not described in the Loan Policy is encumbered to secure payment of the indebtedness secured by the insured mortgage, and (3) the Company is paid the premium prescribed in Rate Rule R-11.i. The Company may not issue the First Loss Endorsement (Form T-14) if the land covered by the policy is residential real property.

(12) Deleted January 1, 2010.

(13) Loan Policy Aggregation Endorsement - A Company may issue the Loan Policy Aggregation Endorsement (Form T-16) to a Loan Policy (Form T-2), if (1) it is paid the premium prescribed in Rate Rule R-11.j; (2) its underwriting requirements are met; and (3) multiple policies are simultaneously issued covering separate mortgages securing the same indebtedness or loan. The Company shall charge the applicable premium for each Loan Policy (Form T-2).

(14) Planned Unit Development Endorsement - A Company may issue the Planned Unit Development Endorsement (Form T-17) to a Loan Policy, if its underwriting requirements are met and if it is paid the premium described in Rate Rule R-11.k. The Company may delete any insuring provision if it does not consider that risk acceptable. The Company may not issue the Planned Unit Development Endorsement (Form T-17) if the land covered by the policy is not residential real property. Any insurance matter that may be covered by the Planned Unit Development Endorsement (Form T-17) may be insured only by the use of the Planned Unit Development Endorsement (Form T-17).

(15) Condominium Endorsement - A Company may issue the Condominium Endorsement (Form T-28) to a contemporaneously issued Loan Policy, if its underwriting requirements are met and if it is paid the premium, if any, described in Rate Rule R-11.l. The Company may delete any insuring provision if it does not consider that risk acceptable. The Company may not issue the Condominium Endorsement (Form T-28) if the land covered by the policy is not residential real property. Any insured matter that may be covered by the Condominium Endorsement (Form T-28) may be insured only by the Condominium Endorsement (Form T-28). This endorsement may not be issued in conjunction with the Planned Unit Development Endorsement (Form T-17).



## **P-27. Disbursement From Escrow or Trust Fund Accounts**

This Rule shall implement Texas Insurance Code §2651.202.

### A. Definitions

1. "Good funds" means:
  - a. Cash or wire transfers;
  - b. Cashier's check. For purposes of this Rule, a cashier's check is defined to mean a check that is (1) drawn on a financial institution; (2) signed by an officer or employee of the financial institution on behalf of the financial institution as drawer; (3) a direct obligation of the financial institution; and (4) provided to a customer of the financial institution or acquired from the financial institution for remittance purposes.
  - c. Certified check. For purposes of this Rule, a certified check is defined to mean a check with respect to which the drawee financial institution certifies by signature on the check of an officer or other authorized employee of the financial institution that: (1) the signature of the drawer on the check is genuine; (2) the financial institution has set aside funds that are equal to the amount of the check and will be used to pay the check; or (3) the financial institution will pay the check upon presentment.
  - d. Teller's check. For purposes of this Rule, a teller's check is defined to mean a check (1) provided to a customer of a financial institution or acquired from a financial institution for remittance purposes, (2) that is drawn by the financial institution, and (3) is drawn on another financial institution or payable through or at a financial institution.
  - e. Any other instrument that has been determined by the Board of Governors of the Federal Reserve System to be the functional equivalent of a cashier's, certified or teller's check.
  - f. Uncertified funds in amounts less than \$1,500, including checks, traveler's checks, money orders, and negotiable orders of withdrawal; provided multiple items shall not be used to avoid the \$1,500 limitation;
  - g. Uncertified funds in amounts of \$1,500 or more, drafts, and any other items when collected by the financial institution;
  - h. State of Texas warrants;
  - i. United States Treasury checks;
  - j. Checks drawn on an insured financial institution and for which a transaction code has been issued pursuant to, and in compliance with, a fully executed Immediately Available Funds Procedure Agreement (Form

Exhibit 2017-15

Procedural Rule P-27, Disbursement from Escrow or Trust Fund Accounts

T-37) or a fully executed Immediately Available Funds Procedure Agreement (Agent Designation for Federally-insured Lender) (Form T-37A) with such financial institution;

k. Checks by Texas city and county governments;

2. "Received and deposited" means:
  - a. Good funds are in the possession of an employee or representative of the trustee, and
  - b. A record of the actual date of receipt has been entered on the books of the trustee, and
  - c. The funds are actually delivered for deposit to the financial institution in a timely manner, which shall not exceed three business days as defined in Federal Reserve Board Regulation CC, 12 C.F.R., Part 229, after the funds are received.
  - d. In the case of a wire transfer, good funds shall be considered to be "received and deposited" when the financial institution notifies the trustee that the funds have been received.
3. "Trust account" or "escrow account" means an account maintained at a financial institution for holding and disbursing funds to be paid to and on behalf of parties to a transaction and which are subject to annual audit pursuant to Subchapter D, Chapter 2651, Texas Insurance Code.
4. "Transaction" means the purchase and sale, mortgage, or other act for which a trustee receives trust funds and a guaranty file is opened.
5. "Trustee" as used in this rule means a title insurance company, title insurance agent, direct operation, or escrow officer that maintains a trust fund account.
6. "Financial institution" as used in this Rule has the meaning given to "depository institution" in 12 USC Sec. 461(b)(1)(A), which includes (1) any insured bank, mutual savings bank, savings bank, or savings association as defined in the Federal Deposit Insurance Act or (2) any insured credit union.
7. "Insured" as used in this Rule means that a financial institution is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). Any cashier's check, certified check, teller's check or other instrument as used in this Rule must be drawn upon a financial institution insured by the FDIC or NCUSIF. In addition, for teller's checks, both the drawer and drawee financial institutions must be insured.

B. General Provisions

Exhibit 2017-15

Procedural Rule P-27, Disbursement from Escrow or Trust Fund Accounts

1. Good funds in an amount equal to all disbursements must be received and deposited before any disbursement may be made. Partial disbursements, prior to the receipt and deposit of good funds, are not permitted. If a party to the transaction submits too much money, that overage which will not ultimately be a part of the transaction may be refunded at or prior to settlement.
2. A record of all receipts reflecting the date on which the funds are actually received must be entered on the books of the trustee before any disbursements are made.
3. The financial institution or branch of a financial institution in which the trust fund account is maintained must be located within the geographic bounds of the State of Texas.
4. Even though funds are defined as good funds in this Rule, a trustee is not required to disburse if reasonable business judgment would indicate that the funds may not be collected.
5. An Immediately Available Funds Procedure Agreement (Form T-37) must be fully executed by the Financial Institution, the Federally-insured Lender and the Title Company prior to issuance of checks intended to qualify pursuant to subparagraph A.1.j. of this rule. If the Federally-insured Lender has appointed an Agent and delegated to the Agent some of the duties and responsibilities of the Federally-insured Lender, the Title Company must use an Immediately Available Funds Procedure Agreement (Agent Designation for Federally-insured Lender) (Form T-37A) which must be fully executed by each of the four parties to the Agreement including the Agent for the Federally-insured Lender.

Exhibit 2017-16  
Procedural Rule P-45, Texas Reverse Mortgage Endorsement

**P-45. Texas Reverse Mortgage Endorsement (T-43)**

A. When a Loan Policy of Title Insurance (Form T-2) is to be issued insuring the lien securing a reverse mortgage loan made pursuant to Subsection (a)(7) of Section 50, Article XVI, Texas Constitution, the Company shall attach to the Loan Policy of Title Insurance (Form T-2) the Texas Reverse Mortgage Endorsement (Form T-43).

B. The Company may not provide Express Insurance (pursuant to Procedural Rule P-39) as to matters set forth in the Texas Reverse Mortgage Endorsement (Form T-43).

C. The Loan Policy of Title Insurance (Form T-2) insuring the lien securing a reverse mortgage loan may be issued in an amount not exceeding:

1. 150% of the total advances to be made according to a plan established by the original loan agreement; or
2. The maximum amount that may be secured by the lien of the insured mortgage, as estimated by the lender according to the written lender instructions; or,
3. In the case of an FHA-insured loan, the Maximum Claim Amount as established by FHA.

D. The Company may delete any subdivision in Paragraph 3 of the Texas Reverse Mortgage Endorsement (Form T-43) if it does not consider the additional risk insurable. The following language shall be placed below Paragraph 3:

"Subdivision \_\_\_\_\_ of Paragraph 3 of this Texas Reverse Mortgage Endorsement (Form T-43) is hereby deleted. The Company does not insure against failure to comply with the Subsection of the Constitution referred to in said subdivision of Paragraph 3."

The Company shall complete the blank with the appropriate subdivision of Paragraph 3 of the Texas Reverse Mortgage Endorsement (Form T-43) if the above format is used.

E. The Company must delete subdivisions (ii) and (iii) of Paragraph 3 of the Texas Reverse Mortgage Endorsement (Form T-43) if the insured mortgage and the promissory note are not executed at the office of a title company. For purposes of Procedural Rule P-45, "the office of a title company" shall mean the leased or owned Texas office location(s) of: (1) a title insurance company; or, (2) a direct operation; or, (3) a title insurance agent; or, (4) an attorney conducting the attorney's business in the name of a title insurance company or direct operation or title insurance agent where the attorney and the attorney's bona fide employees who close transactions are licensed as escrow officers as required by Texas Insurance Code Section

Exhibit 2017-16  
Procedural Rule P-45, Texas Reverse Mortgage Endorsement

2652.003. In order to evidence the deletion required by this Paragraph E, the following language shall be stated on the Texas Reverse Mortgage Endorsement (Form T-43):

"Subdivisions (ii) and (iii) of Paragraph 3 of this Texas Reverse Mortgage Endorsement (Form T-43) are hereby deleted. The Company does not insure against the failure to comply with the Subsections of the Constitution referred to in said subdivisions of Paragraph 3."

F. The Company must delete subdivision (ii) of Paragraph 3 of the Texas Reverse Mortgage Endorsement (Form T-43) as provided in Paragraph D, above, if the Company is not furnished with government issued photographic identification showing that the owner of the land or the spouse of the owner of the land is 62 years or older.

G. The Company must delete subdivision (iii) of Paragraph 3 of the Texas Reverse Mortgage Endorsement (Form T-43) as provided in Paragraph D, above, if the borrower and borrower's spouse identified in the document furnished by the insured and purporting to be made pursuant to Subsection (k)(8) of Section 50, Article XVI, Texas Constitution, do not execute that document at an office of a title company on the date that the insured mortgage and the promissory note secured by the insured mortgage are executed.

**Texas Reverse Mortgage Endorsement (Form T-43)**

Attached to and made a part of  
Title Insurance Company  
Loan Policy No.  
dated the \_\_\_ day of \_\_\_\_, \_\_\_\_ .

**Issued by**  
**Blank Title Insurance Company**

Notwithstanding anything to the contrary contained in this policy, the following terms and provisions shall control and apply:

1. This policy insures only up to, and liability hereunder is limited to, the amount of proceeds of the loan secured by the lien instrument set forth under Schedule A hereof actually disbursed as of the date of this policy, but increases as each subsequent advance or disbursement of loan proceeds is made from time to time and as unpaid interest accrues on loan proceeds, so that any loss payable hereunder shall be limited to the amount of unpaid accrued interest and aggregate amount of loan proceeds actually disbursed and outstanding at the time a loss occurs hereunder; provided that in no event shall the liability of the Company hereunder exceed the face amount of this policy.

2. The Company insures the Insured that any disbursements of such loan proceeds made subsequent to the date of this policy 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.

3. Notwithstanding the provisions of paragraph 5 of the Exclusions from Coverage set out in the main policy entitled Loan Policy of Title Insurance 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: (i) 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 (k)(1) of Section 50, Article XVI, Texas Constitution; (ii) the failure of the extension of credit secured by the insured mortgage to be made to a person who is or whose spouse is 62 years or older, as set forth in Subsection (k)(2) of Section 50, Article XVI, Texas Constitution; or (iii) the failure of the written document purporting to be made pursuant to Subsection (k)(8) of Section 50, Article XVI, Texas Constitution to be executed by the owner and owner's spouse on the date that the insured mortgage and promissory note secured thereby are executed, provided that the Company does not insure that the written document complies with Subsection (k)(8) of Section 50, Article XVI, Texas Constitution.

Exhibit 2017-17  
Form T-43, Texas Reverse Mortgage Endorsement

4. The Company does not insure against loss or damage based on (a) usury; or (b) any consumer credit protection or truth-in-lending law and/or violation of Subsections (k)(3), (k)(4), (k)(5), (k)(6), (k)(7), (k)(8), (k)(9), (k)(10), (k)(11), (m), or (p) of Section 50, Article XVI, Texas Constitution and any regulatory or statutory requirements for a mortgage made pursuant to Subsection (a)(7) of Section 50, Article XVI, Texas Constitution except as expressly provided in paragraph 3 of this endorsement; or (c) costs, expenses or attorney's fees required to obtain a determination of the amount of interest or indebtedness.

For purposes of this endorsement, "interest" means interest, compound interest, interest on interest, interest calculated at a rate that varies from time to time in accordance with the provisions of the insured mortgage, and interest contingent on the appreciation in the fair market value of the land charged in accordance with the terms of the insured mortgage. In this endorsement, the term "owner" refers to each owner described in Schedule A of this Loan Policy. This endorsement does not represent or insure that a Title Insurance Agent of the Company is the agent of the Company other than for issuance of title insurance policies, as provided by applicable law.

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 Stipulations; 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.

Authorized Countersignature

\_\_\_\_\_

(Printed Name of Title Insurance Company)

By: \_\_\_\_\_  
(Signature)

Title: President

Printed Name: \_\_\_\_\_

(ATTEST IS OPTIONAL)

\_\_\_\_\_

(Printed Name of Title Insurance Agent or  
Direct Operation)

By: \_\_\_\_\_  
(Signature)

Exhibit 2017-17  
Form T-43, Texas Reverse Mortgage Endorsement

Title: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

(ATTEST IS OPTIONAL)



**Purchaser/Seller Insured Closing Service Letter (Form T-51)**

DATE

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**Re: Purchaser/Seller Promulgated Insured Closing Service Letter  
Name of Licensed Direct Operation or Texas Title Insurance Agent:**

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(hereinafter "Texas Agent")

To Whom It Concerns:

In response to your request, \_\_\_\_\_, a \_\_\_\_\_ corporation, with its principal office in Texas at \_\_\_\_\_ (the "Company"), offers to you, provided that an owner policy of title insurance issued by the Company has been specified and requested for the purchaser in connection with the particular closing, the following described protection with respect to the closing of your real estate transactions by the Company's above named Texas Agent during the effective term hereof. The term Texas Agent shall include a direct Operation of the Company if the name of the direct Operation is set forth in the "RE" paragraph above.

The Company will replace your settlement funds that are lost after receipt of such funds by such Texas Agent as a direct, proximate result of the fraud or dishonesty of such Texas agent, provided that a Commitment for Title Insurance from this Company or its Texas Agent is issued to the purchaser before closing by such Texas Agent.

Notwithstanding your instructions to such Texas Agent in regard to the disbursement of funds nothing herein contained shall be construed as imposing liability on the Company for unfiled Mechanic's and Materialman's Liens.

The Company will not be liable for loss or impairment of your settlement funds in the course of collection or on deposit with a bank for disbursement due to bank failure, insolvency or suspension, except such as shall be as the direct result of the failure of such Texas Agent to comply with your written instructions to deposit the funds in a particular named bank.

The Company shall not be liable hereunder for any loss or expense you sustain (1) arising in whole or in part as a result of the fraud, dishonesty or negligence of you or your employee, agent or attorney, (2) as a result of your settlement or release of any claim without the written consent of the Company, or (3) arising as a result of any matters created, suffered, assumed or agreed to by you or known to you.

The Company shall not be liable on account of any laws excluded from owner policy coverage pursuant to the promulgated Condition and Stipulations and Exclusions from Coverage of the

Exhibit 2017-18  
Form T-51, Purchaser/Seller Insured Closing Service Letter

Owner Policy of Title Insurance, or on account of the Real Estate Settlement Procedures Act of 1974, as amended, nor shall this letter be construed as authorizing the Texas Agent, or any other representative of the Company, to exercise any discretion in your behalf, to undertake any responsibility in your behalf, or to undertake your performance in whole or in part with respect to any of laws referred to above.

The Company shall not be liable hereunder unless notice of claim in writing is received by the Company at its principal office in Texas within twelve (12) months after the date of Closing the Transaction.

Whenever the Company shall have settled a claim hereunder, the Company shall be subrogated to all your rights and remedies against any person or property with respect to such claim, all right of subrogation shall vest in the Company unaffected by any act by you or by the Company, and you shall permit the Company to use your name in any transaction or litigation involving such rights or remedies.

The protection offered will be effective as to matters arising after receipt of a copy of this letter at the said Texas principal office of the Company bearing the signature of you or your duly authorized officer in the space provided below; will supersede all prior agreements; will extinguish all duties of the Company with respect to the loss of your settlement funds except as expressly set forth herein; and will be binding upon you and the Company until at the sole discretion of the Company notice of termination is mailed to you at your address as indicated above. A rebuttable presumption of receipt by the Company, of a copy of this letter bearing the signature of you or your duly authorized officer, may be established by: (i) the signed green return receipt card evidencing proof of receipt of this letter by certified or registered mail; or, (ii) a receipt evidencing delivery of this letter by an independent express mail delivery service.

Under Texas Insurance Code §2702.002, only real property transactions in excess of \$250,000.00 are eligible for insured closing service protection for the purchaser/seller. Therefore, this letter shall be null and void if the sales price of the real property (on any single real estate transaction intended by the recipient to be covered by this insured closing service letter) is \$250,000.00 or less. The Company shall not be liable for the first \$250,000.00 of loss to any claimant which constitutes a covered claim under Texas Insurance Code Chapter 2602, Subchapter F.

This form, promulgated by the Texas Department of Insurance in accordance with the Texas Title Insurance Act, as amended, is the only purchaser/seller form permissible for Insured Closing in the State of Texas.

Yours very truly,

\_\_\_\_\_  
(Printed Name of Company)

By \_\_\_\_\_  
(Signature)

Exhibit 2017-18  
Form T-51, Purchaser/Seller Insured Closing Service Letter

Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**ACCEPTANCE BY PURCHASER/SELLER ADDRESSEE**

ACCEPTED AND AGREED TO this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Printed Name of Addressee)

By \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

## ABSTRACT PLANT INFORMATION (Form T-52)

Title Agency Name: \_\_\_\_\_  
*Legal name and DBA used in the county*

Business Address: \_\_\_\_\_  
*Physical address of main office – Not branch location*                      City                      State                      Zip Code

### COUNTY RECORDS:

1. County covered by the plant: \_\_\_\_\_ Date county records begin: \_\_\_\_\_
2. List any county records not covered by the plant: \_\_\_\_\_
3. State if all or only part of county is covered by the plant: \_\_\_\_\_
4. List parts not covered: \_\_\_\_\_

### PLANT DESCRIPTION:

5. Are land records geographically indexed? \_\_\_\_\_ Date index begins: \_\_\_\_\_  
*No later than January 1, 1979*
6. Are miscellaneous records name indexed? \_\_\_\_\_ Date index begins: \_\_\_\_\_  
*No later than January 1, 1979*
7. If indices are computer stored, are they retrievable by property description? \_\_\_\_\_
8. State methods of keeping plant current: \_\_\_\_\_  
 Posting of daily take off     Computer update service    Other \_\_\_\_\_
9. Name and address of computer update service: \_\_\_\_\_
10. Plant records current through (date): \_\_\_\_\_

### PLANT OWNERSHIP:

11. Name and address of plant owner: \_\_\_\_\_  
*For leased plants, the plant owner issues the subscription or lease agreement*
12. Is agent in actual, exclusive physical possession and control of plant? \_\_\_\_\_
13. If leased, state the term of lease: \_\_\_\_\_  
*The lease must extend to the end of the agent's license period*
14. If under a joint agreement, provide a copy of the agreement and state names of all participants: \_\_\_\_\_

Note: An applicant submitting an initial license application must include a complete, signed copy of the plant lease. Applicants for renewals and additional appointments do not need to submit a copy of the plant lease unless it has been renewed or amended.

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Date

We have conducted an on-site examination of the above described plant and find it to be as represented above and in compliance with the latest definition of an abstract plant as promulgated by the Texas Department of Insurance. We are also satisfied that the plant is adequate for use in insuring titles, so as to provide for the safety and protection of the policyholder.

\_\_\_\_\_  
Signature of Examiner Authorized by the Underwriter

\_\_\_\_\_  
Underwriter

By: \_\_\_\_\_

\_\_\_\_\_  
Date of On-Site Exam

### **S.3. Title Agent Requirements, Procedures, and Forms for Obtaining Release of Assets in Accordance With Insurance Code §2651.012(b) or §2651.0121.**

A. In this rule, "title agent" and "agent" have the same meaning as "title insurance agent" in Procedural Rule P-1h.

B. A title agent may request that the Commissioner authorize release of unencumbered assets by filing a written request for release of the assets with the Department. The request may be made when:

1. The title agent has voluntarily ceased to engage in business and has surrendered the agent's license. The title agent must have completed the following actions:

a) Conducted a final audit of the agent's trust fund accounts, the records pertaining thereto and the unused forms in agent's/direct operation's possession, in accordance with §§2651.151-157 and 2651.251-253, Insurance Code.

b) Surrendered all pending files and outstanding commitments to the appropriate Companies.

c) Sent written notice to all interested parties in pending transactions of the names and contact information of the Companies that have custody or control of the files.

d) Transferred all escrow accounts and investment accounts, which have not been fully disbursed, to the appropriate Companies for the benefit of the parties to pending transactions and the general public.

2. The title agent is being liquidated and has completed the actions set forth in Section 1 (a)-(d) above.

3. The title agent has merged or consolidated or effected the equivalent of a merger or consolidation with another title agent which maintains the amount of unencumbered assets that would be required for the survivor title agent.

4. The title agent initially used a solvency account but now uses an alternative form of unencumbered assets to comply with Insurance Code §2651.012.

C. In accordance with §2651.0121(j), Insurance Code, the Commissioner shall issue an order authorizing the financial institution in which a solvency account is held to release all or part of the account balance to the agent or the agent's principal office within 60 days of the receipt of a Solvency Account Release Request (Form T-S3). Title agent shall submit two executed originals of the Solvency Account Release Request (Form T-S3) to the Department. The Department shall acknowledge receipt of the request and return one copy of the acknowledged request to the title agent.

Exhibit 2017-20

Administrative Rule S.3, Title Agent Requirements, Procedures, and Forms for Obtaining Release of Assets in Accordance with Insurance Code §2651.012(b) or §2651.0121.

If the Commissioner does not enter the order within the prescribed period, the application is denied and the title agent may seek immediate equitable relief from a court of competent jurisdiction.

D. Funds held in a solvency account under a Tripartite Agreement (Form T-S2) may be transferred or released in accordance with the terms of the Tripartite Agreement.

Exhibit 2017-21  
Rate Rule R-11, Loan Policy Endorsements

**R-11. Loan Policy Endorsements**

Applicable only as provided in Procedural Rule P-9.

- a. 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. In no event, however, shall such premium exceed 50% of the premium applicable to the original Loan Policy under the Schedule of Basic Rates.
- b. Loan Policy of Title Insurance Endorsement (Partial Release, Release of Additional Collateral Modification Agreement, Reinstatement Agreement, or Release from Personal Liability) 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 after the date of the original policy. If issued after said one year period, an additional \$10.00 shall be charged for each twelve-month period thereafter, or a part thereof. In no event, however, shall such premium exceed 50% of the premium applicable to the original Loan Policy under the Schedule of Basic Rates.
- c. 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 Endorsement (Form T-3), Endorsement Instructions V or VII (Down Date Endorsement), provided for in Procedural Rule P-9.b(4).
- d. Variable Rate Mortgage Endorsement and Variable Rate Mortgage – Negative Amortization Endorsement issued as provided in Procedural Rule P-9.b(6)--A premium of \$20.00 shall be charged for the issuance of each Variable Rate Mortgage Endorsement (Form T-33) or Variable Rate Mortgage - Negative Amortization Endorsement (Form T-33.1) authorized by Procedural Rule P-9.b(6) except that such additional premium charge shall not be made if an additional premium charge has been made for the Loan Policy (to which the Endorsement is attached).
- e. Manufactured Housing Endorsement and Supplemental Coverage Manufactured Housing Unit Endorsement 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). 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. 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).

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- g. Environmental Protection Lien Endorsement 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. Balloon Mortgage Endorsement 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. 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. First Loss Endorsement issued as provided in Procedural Rule P-9.b(11)--When the First Loss Endorsement (Form 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. 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. Planned Unit Development Endorsement issued as provided in Procedural Rule P-9b(14)--When the Planned Unit Development Endorsement (Form T-17) is issued with a Loan Policy in accordance with Procedural Rule P-9b(14), the premium for the Planned Unit Development Endorsement (Form T-17) shall be \$25.00. If the Company issues the Planned Unit Development Endorsement (Form T-17) on two or more title insurance policies which are issued simultaneously covering the same land, then the premium for the Planned Unit Development Endorsement (Form T-17) shall be charged only for one Planned Unit Development Endorsement (Form T-17).
- l. Condominium Endorsement 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.