

Exhibit 2018-1  
Administrative Rule Definitions

**DEFINITIONS.** In the Administrative Rules:

- A. "Assumed name" has the same meaning as in Texas Business and Commerce Code §71.002(2).
- B. "Business of title insurance" means the business of title insurance as defined in Texas Insurance Code §2501.005.
- C. "Certificate of Formation" means a certificate of formation filed with the Office of the Texas Secretary of State in accordance with the Texas Business Organizations Code and includes valid articles of incorporation, articles of organization, certificates of limited partnership, or other valid filing instruments accepted by the Office of the Texas Secretary of State prior to January 1, 2006, for the purposes of initial business organization.
- D. "Company" means a title insurance company as defined in Texas Insurance Code §2501.003(14).
- E. "Control" means the power to direct or cause the direction of the management and policies of a title insurance agent, whether directly or indirectly. A person is considered to control a title insurance agent structured as an entity, if the person, individually or acting with others, directly or indirectly: (1) holds the power or right to vote, owns, or controls, or holds proxies representing, at least 10 percent of the voting stock or voting rights of the entity; or (2) through any other right or power exercises rights in the management, direction, or conduct of the day-to-day operations of the title insurance agent.
- F. "Designated on-site manager" means the manager responsible for administering the day-to-day operations of a title insurance agent or direct operation in Texas at the principal place of business, and who has been required to submit a Title Insurance Licensing Biographical (FINT08) form.
- G. "Direct Operation" means a direct operation as defined in Texas Insurance Code §2501.003(3).

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- H. "Entity" means a domestic or foreign corporation or limited liability company authorized to transact business in the State of Texas.
- I. "Federal Tax Identification Number" means a federally issued Employer Identification Number, Tax Identification Number, or Social Security Number.
- J. "Officer" means president, secretary, treasurer, and chief executive officer, or other individuals who perform the duties of a president, secretary, treasurer, or chief executive officer.
- K. "Partnership" means an association or firm composed only of Texas residents, including a general partnership, limited partnership, limited liability partnership, and limited liability limited partnership. An association or firm is composed of only Texas residents if all persons in control of the association or firm are Texas residents.
- L. "Signing" and "signature" mean the act of signing one's name, whether in writing or electronically.
- M. "Sole proprietorship" means an unincorporated form of business that is owned and operated by one individual who is a resident of Texas and is not a partnership or entity.
- N. "TDI" and "Department" mean the Texas Department of Insurance.
- O. "Title insurance agent" means title insurance agent as defined in Texas Insurance Code §2501.003(13).

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**L-1. TITLE INSURANCE AGENT**

**I. GENERAL REQUIREMENTS**

**A. ENGAGE IN BUSINESS.**

1. A person may not act as a title insurance agent in Texas unless the person:
  - a. holds a title insurance agent license issued by TDI;
  - b. is appointed by a title insurance company for counties in which the title insurance agent will operate; and
  - c. complies with the requirements of Texas Insurance Code Chapter 2651, Subchapter C, and Chapter 2652, Subchapter C.
2. A title insurance agent may not employ an individual to act as an escrow officer for the title insurance agent unless the individual:
  - a. holds an escrow officer license issued by TDI;
  - b. is covered by a surety bond or deposit as required under Texas Insurance Code Chapter 2652, Subchapter C; and
  - c. is appointed under Texas Insurance Code §2652.1511 as an escrow officer by the title insurance agent.
3. The sole proprietor of a title insurance agent sole proprietorship and an individual general partner of a title insurance agent partnership may perform the functions of an escrow officer for that title insurance agent without an escrow officer license or appointment.

**B. BOOKS AND RECORDS.** All books and records of the title insurance agent must be maintained in such a manner as to be auditable and demonstrate compliance.

**C. FORMS.** All of the forms referred to in this rule are available on the TDI website and on request from TDI. Forms may be submitted electronically if such submission is available.

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- D. TITLE PLANT. Each title insurance agent must maintain at all times a current and completed Abstract Plant Information T-52 (FINT120) form available for TDI inspection on request. The title insurance agent is not required to submit Abstract Plant Information T-52 (FINT120) form to TDI unless requested.
- E. MILITARY SERVICE MEMBERS, MILITARY VETERANS, AND MILITARY SPOUSES. A military service member, military veteran, or military spouse, as defined under Texas Occupations Code §55.001, may apply under 28 Texas Administrative Code §19.803 for, and be granted, any waiver, extension, exemption, or alternative licensing requirement for the applicable requirements of Administrative Rule L-1.

**II. TITLE INSURANCE AGENT LICENSE APPLICATION AND ISSUANCE**

- A. APPLICANT. An applicant for a title insurance agent license:
  - 1. must be a sole proprietorship, partnership, or entity; and
  - 2. may not obtain more than one title insurance agent license for each Federal Tax Identification Number.
- B. APPLICATION. An applicant for a title insurance agent license must complete and submit the Application for Title Insurance Agent or Direct Operation License (FINT143) form following all form instructions, and include:
  - 1. fingerprints, if required under 28 Texas Administrative Code §1.503;
  - 2. a completed Title Insurance Licensing Biographical Information (FINT08) form for each of the following individuals:
    - a. for a sole proprietorship, the individual sole proprietor and each designated on-site manager;
    - b. for a partnership, each designated on-site manager and partner who is in control of the partnership;

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- c. for an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is in control of the entity; and
  - d. each controlling person of an entity or partnership who is in control of the entity or partnership applicant;
3. if the applicant will use an assumed name, a copy of a valid Assumed Name Certificate filed with the Secretary of State or County Clerk for each county in which the title insurance agent will operate;
4. at least one Title Insurance Agent or Direct Operation Appointment (FINT10) form completed by the title insurance company's appointing official, following all form instructions, and attesting that the applicant:
  - a. has a current Schedule D;
  - b. has an agent contract with the title insurance company; and
  - c. has an abstract plant that meets the requirements of Procedural Rule P-12 and Texas Insurance Code §2501.004, or has an abstract plant lease for each county listed on the form in which the applicant is appointed to transact business for the title insurance company;
5. proof of bond purchase or deposit in compliance with the requirements of Texas Insurance Code Chapter 2651, Subchapter C, and Chapter 2652, Subchapter C:
  - a. in the form of a completed Texas Title Insurance Agent/Direct Operation Bond (FINT122) form, a completed Texas Escrow Officers Schedule Bond (FINT123) form, a TDI cash receipt or evidence of securities approved by TDI, or a copy of an irrevocable letter of credit;
  - b. with the amount of the title insurance agent bond or deposit being the greater of:
    - i. \$10,000; or

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- ii. an amount equal to 10 percent of the gross premium written by the title insurance agent in accordance with the latest statistical report to TDI but not to exceed \$100,000;
  - c. with the aggregate amount of the escrow officer bond or deposit, up to a maximum of \$50,000, determined by multiplying the number of employed and appointed escrow officers by:
    - i. \$5,000 for each individual who is a bona fide Texas resident; and
    - ii. \$10,000 for each individual who is a bona fide resident of a state adjacent to Texas; and
  - d. listing each escrow officer employed and appointed by the title insurance agent on the bond schedule;
- 6. demonstrated compliance with the capitalization requirements in Texas Insurance Code §2651.012;
- 7. a nonrefundable application fee of \$50; and
- 8. a nonrefundable appointment fee of \$16 only for each additional appointment after the first appointment submitted with the application. An appointment fee is not required for the first appointment submitted with the application.

**III. TITLE INSURANCE AGENT APPOINTMENTS**

**A. APPOINTMENT.**

- 1. A title insurance company may appoint a title insurance agent with the initial license application or at any other time.
  - a. Appointments with the title insurance agent license application must comply with Administrative Rule L-1.II.
  - b. A title insurance company may appoint a title insurance agent at any time by submitting the required nonrefundable \$16 appointment fee with the Title Insurance Agent or Direct Operation Appointment

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(FINT10) form completed by the title insurance company's appointing official, following all form instructions, and attesting that the applicant:

- i. has a current Schedule D;
- ii. has an agent contract with the title insurance company; and
- iii. has an abstract plant that meets the requirements of Procedural Rule P-12 and Texas Insurance Code §2501.004, or has an abstract plant lease for each county listed on the form in which the title insurance agent is appointed to transact business for the title insurance company.

2. The appointment is effective on the eighth business day following the date the notice of appointment is complete and TDI receives the appointment fee, unless TDI notified the title insurance company that the appointment was rejected. The notice of appointment is complete when TDI receives a complete Title Insurance Agent or Direct Operation Appointment (FINT10) form and the required fee.
3. A title insurance agent may be appointed by multiple title insurance companies for each county.
4. Title insurance agent appointments do not expire and remain effective until terminated.

**B. APPOINTMENT MAINTENANCE.**

1. After the title insurance agent has been appointed, the title insurance company may add or remove counties from the appointment by submitting the Title Insurance Agent or Direct Operation Appointment (FINT10) form completed by the title insurance company's appointing official, following all form instructions to list any counties to be added or deleted, and attesting that the applicant:

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- a. has a current Schedule D;
  - b. has an agent contract with the title insurance company; and
  - c. has an abstract plant that meets the requirements of Procedural Rule P-12 and Texas Insurance Code §2501.004, or has an abstract plant lease for each county listed on the form in which the title insurance agent is appointed to transact business for the title insurance company.
2. A title insurance agent may not operate in an additional county on behalf of a title insurance company until the earlier of:
- a. the eighth business day following the date the complete Title Insurance Agent or Direct Operation Appointment (FINT10) form is submitted, unless TDI notified the title insurance company that the appointment was rejected; or
  - b. when TDI's website reflects the additional counties.

C. APPOINTMENT TERMINATION.

1. Termination of an appointment terminates the title insurance agent's authorization to write for the title insurance company in Texas.
2. Deletion of all counties from an appointment terminates the appointment.
3. A title insurance agent must comply with Administrative Rule D-1 if, at the time of appointment termination, the title insurance agent has no active title insurance company appointment and is not seeking an appointment by another title insurance company. A title insurance agent is not required to comply with Administrative Rule D-1 if the title insurance agent submits to TDI a sworn statement which identifies a title insurance company for which an appointment is actively being pursued within the existing license period.

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4. Either the title insurance agent or title insurance company may terminate an appointment as follows:
    - a. If a title insurance company intends to terminate a title insurance agent's appointment, the title insurance company must give the title insurance agent 30 calendar days' written notice of termination before the effective date of the termination, unless the title insurance agent is terminated for cause, as defined in the agency agreement. The title insurance company must submit the Title Insurance Agent or Direct Operation Appointment (FINT10) form to TDI within three business days of notifying the title insurance agent of the termination. The notice must state the effective date of the termination. If the title insurance company terminates the appointment for cause, the title insurance company must submit an explanation of the circumstances with each notice.
    - b. If a title insurance agent intends to terminate the title insurance agent's appointment, the title insurance agent must give the title insurance company 30 calendar days' written notice of the termination. The title insurance agent must notify TDI of the termination in writing within three business days of notifying the title insurance company of the termination. Each notice must state the effective date of the termination.
- D. LICENSE SUSPENSION.
1. TDI will suspend a license pursuant to Texas Insurance Code §2651.010 if the title insurance agent does not have a valid appointment.
  2. TDI will lift the suspension on an unexpired license on the receipt of an appointment filing made in compliance with Administrative Rule L-1.III.A.1.b.

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3. License suspension does not relieve a title insurance company or title insurance agent from complying with Administrative Rule D-1.

**IV. TITLE INSURANCE AGENT LICENSE EXPIRATION, RENEWAL, EFFECT OF SUSPENSION, AND SURRENDER**

- A. EXPIRATION. A title insurance agent license expires two years after the date of issuance.
- B. RENEWAL. A title insurance agent may renew a license that has not been suspended, revoked, or surrendered, as follows:
  1. To renew a title insurance agent license, on or before the expiration date of the license, the title insurance agent must submit the following:
    - a. the Title Insurance Agent or Direct Operation Renewal Application (FINT03) form, following all form instructions; and
    - b. a nonrefundable renewal application fee of \$35.
  2. Failure of a title insurance agent to submit a complete renewal application and the required renewal fee on or before the expiration date of the license results in expiration of the title insurance agent's license.
  3. If a title insurance agent's license is expired for 90 calendar days or less, the title insurance agent may renew the license by complying with Administrative Rule L 1.IV.B.1 and submitting an additional nonrefundable late fee in the amount of \$25, which is half the initial license application fee.
  4. If a title insurance agent's license is expired for more than 90 calendar days, the license may not be renewed, and all title insurance company and escrow officer appointments terminate. The applicant must submit a new Application for Title Insurance Agent or Direct Operation License (FINT143) form and satisfy the requirements of Administrative Rule L-1.II to obtain a new title insurance agent license. New escrow officer

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appointments must be submitted prior to engaging in the business of title insurance.

C. EFFECT OF SUSPENSION.

1. A suspension period does not extend the title insurance agent license's expiration date.
2. If a title insurance agent license is suspended on expiration of the license, the license is not eligible for renewal and a new license is required as provided in Administrative Rule L-1.IV.B.4.
3. If a valid appointment is received by TDI prior to the suspended license's expiration, the license may be renewed under Administrative Rule L-1.IV.B.

D. SURRENDER OF LICENSE. A title insurance agent may voluntarily surrender a license at any time. The title insurance agent must notify TDI and each title insurance company that appointed the title insurance agent of the surrender not less than 45 calendar days before the effective date of the surrender. The title insurance agent's notice to TDI must include:

1. written notification that the title insurance agent is ceasing operations, including the effective date of surrender for the title insurance agent's license; and
2. the title insurance agent's current plan for an orderly winding down of its operations and compliance with Administrative Rule D-1.

**V. CHANGE IN OPERATIONS**

A. NEW LICENSE REQUIRED.

1. If a title insurance agent's license is expired, surrendered, or revoked, and a new license is required, the title insurance agent license applicant may not conduct the business of title insurance until the applicant has been notified by TDI that its title insurance agent license has been issued.

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2. A title insurance agent license is non-transferrable. The purchase of a title insurance agent's assets may not include the transfer of a title insurance agent license. The purchase of a title insurance agent's stock or membership interest is not considered a transfer of a title insurance agent license.
- B. NEW LICENSE NOT REQUIRED. The following changes in title insurance agent operations only require written notice to TDI, as provided below, unless the title insurance agent is required to apply for a new license under Administrative Rule L-1.V.A.
1. A Title Insurance Agent or Direct Operation Change Request (FINT129) form, with the information specified below, is required for:
    - a. all mergers, exchanges, and conversions, and must include the certificate of merger, exchange, or conversion, if applicable, filed with the Office of the Texas Secretary of State;
    - b. a merger of two or more title insurance agents in which an existing title insurance agent survives the merger, and must include:
      - i. the notification of surrender of the non-surviving title insurance agents' licenses to TDI required under Administrative Rule L-1.IV.D; and
      - ii. notification from each affected title insurance company of the changes in counties or appointment terminations as provided in Administrative Rule L-1.III, if the surviving title insurance agent will not serve all of the title insurance companies or counties that the prior title insurance agents served.
      - iii. TDI will combine all existing title insurance company appointments and escrow officer appointments of the merged title insurance agents into the surviving title insurance agent.

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- c. a change of the title insurance agent's name or assumed name, including the use of additional assumed names or the abandonment of an assumed name, and must include:
    - i. if the entity name changes, a certified copy of the amended Certificate of Formation reflecting the entity name as amended; and
    - ii. if an assumed name is used, a copy of a valid Assumed Name Certificate filed with the Secretary of State or County Clerk in each county in which the title insurance agent will operate.
    - iii. A new name may not be used until the title insurance agent has been notified by TDI that the license has been updated with the new name.
  - d. a change in the ownership percentages of the title insurance agent, including a purchase of stock or membership interest by a new owner, and must include:
    - i. notification of the individual names and ownership percentage changes; and
    - ii. the Title Insurance Licensing Biographical Information (FINT08) form, if required under Administrative Rule L-1.V.B.2.
  - e. a change in the title insurance agent's physical or mailing address, and must include written notification of the new address.
2. A Title Insurance Licensing Biographical Information (FINT08) form is required for:
- a. each new officer, director, limited liability company manager, designated on-site manager, and person who is in control of the title insurance agent; and

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- b. each controlling partner and shareholder of an entity or partnership who is in control of the title insurance agent.
3. Changes in the title insurance agent's title plant ownership or lease must be documented in the title insurance agent's records and made available to TDI on request.
4. Changes in the proof of the bond or deposit requirements of Texas Insurance Code Chapter 2651, Subchapter C, and Chapter 2652, Subchapter C, including the new or amended TDI cash receipt, copy of the surety bond, copy of the irrevocable letters of credit, or copies of securities approved by TDI, must be documented in the title insurance agent's records and made available to TDI on request.



PO Box 149104 | Austin, TX 78714 | 1-800-578-4677 | tdi.texas.gov

## Application for title insurance agent or direct operation license

**► Answer the following:**

Applicant name \_\_\_\_\_

Federal Tax Identification number \_\_\_\_\_

**Mailing address**

Street address, route, or PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Physical address**

Street address, physical location, or route \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Applicant is organized as:** (check one)

- Sole proprietor       Partnership       Entity

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

- Title insurance agent       Direct operation

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

Accounting firm name \_\_\_\_\_

Accounting firm address \_\_\_\_\_

Accounting firm phone \_\_\_\_\_

**The contact for this form is:**

Contact name \_\_\_\_\_

Contact phone number (include area code) \_\_\_\_\_

Contact email \_\_\_\_\_

**\*\* See the next page for items you must send with this form. \*\***

**► Along with this form, send the following:****You can find forms at [[www.tdi.texas.gov/forms/title.html](http://www.tdi.texas.gov/forms/title.html)].**

- Application fee of \$50. This is nonrefundable and nontransferable.
- Title insurance agent or direct operation appointment (Form FINT10).
- Escrow officer appointment (Form FINT09), unless the sole proprietor or a partner will perform the duties of an escrow officer for the applicant.
- Title insurance licensing biographical information (Form FINT08) for the following:
  - For a sole proprietorship, the sole proprietor and each designated on-site manager.
  - For a partnership, each designated on-site manager and partner who is in control.
  - For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
  - Each controlling person of an entity or partnership who is in control of the entity or partnership applicant.
- Organizational chart that includes names and position titles for the applicant and each person that controls the applicant.
- Audited, reviewed, or compiled financial statement of the applicant: (1) prepared by an independent CPA, and (2) covering a period that ended no more than 60 days ago.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for the title insurance agent or direct operation. The amount must be the greater of: (1) \$10,000, or (2) an amount equal to 10 percent of the gross premium written by the title insurance agent or direct operation according to the latest statistical report sent to the Texas Department of Insurance, but not to exceed \$100,000.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for escrow officers. The amount of the bond or deposit, up to a maximum of \$50,000, is determined by multiplying the number of escrow officers employed by the title insurance agent or direct operation by:
  - \$5,000 for an application for each escrow officer who is a Texas resident (bona fide).
  - and
  - \$10,000 for an application for each escrow officer who is a resident (bona fide) of a state next to Texas.
- Title insurance agent's unencumbered assets certification (Form T-S1) and proof showing how the applicant meets the minimum capitalization requirements ([\[www.tdi.texas.gov/title/titlem6s1.html\]](http://www.tdi.texas.gov/title/titlem6s1.html)).

**Send the following, if applicable:**

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

**► Sign here:**

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

\_\_\_\_\_  
Signature of the applicant's representative

\_\_\_\_\_  
Date

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

State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, notary public, on this day personally appeared \_\_\_\_\_,  
Applicant representative's name

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

(Personalized seal)

\_\_\_\_\_  
Notary public's signature

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

**Mail:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[PO Box 149104]  
[Austin, Texas 78714-9104]

**Overnight mail or in person:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[333 Guadalupe]  
[Austin, Texas 78701]

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

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

► **Know your rights:**

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

Email: [[OpenRecords@tdi.texas.gov](mailto:OpenRecords@tdi.texas.gov)]

Fax: [512-490-1021]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

[Austin, Texas 78714-9104]

**You have the right to ask that we fix information we have about you that is wrong:** If you want to ask that we fix information we have about you that is wrong, you must ask us in writing. The letter or email must have: (1) your name and mailing address, (2) your phone number, (3) details about what needs to be fixed, and (4) the reason or proof showing why the information is wrong. You can send your letter or email one of these ways:

Email: [[RecordCorrections@tdi.texas.gov](mailto:RecordCorrections@tdi.texas.gov)]

Fax: [512-490-1025]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]



## Title insurance licensing biographical information

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

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

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

Name of the title insurance agent or direct operation \_\_\_\_\_

TDI license number (if they have one) \_\_\_\_\_

Firm ID number (if they have one) \_\_\_\_\_

Federal tax identification number \_\_\_\_\_

### ► Tell us about yourself:

#### Section 1: Questions about name, address, and position

Name \_\_\_\_\_  
First name Middle name Last name Suffix

Social Security number \_\_\_\_\_

Email \_\_\_\_\_

#### Home physical address

Street address or route \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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

(check all that apply)

- Shareholder       Member       Partner       LLC Manager
- Officer       Director       Designated on-site manager

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

**If yes:**

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

**If no:**

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

**Section 2: Questions about legal offenses**

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

1. Do you have pending misdemeanor or felony charges (by indictment, information, or any other instrument)?  Yes  No
2. Have you been convicted of any misdemeanor or felony offense?  Yes  No
3. Have you had adjudication deferred on any misdemeanor or felony charge or offense?  Yes  No
4. Have you served probation for any misdemeanor or felony offense?  Yes  No

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

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

or

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

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

**Section 3: Questions about licenses, litigation, and more**

5. Have you, or has any corporation, partnership, association, or firm in which you were a director, officer, shareholder, manager, member, or partner, been:  Yes  No

- The subject of an administrative or legal action filed by Texas or another state’s insurance department or financial regulatory agency?

or

- The subject of an action filed on behalf of any state or by the federal government based on alleged violations of state or federal insurance, securities, or financial regulatory laws?
- 6. Have you had an agency contract or appointment canceled for cause such as a misrepresentation or misappropriation?  Yes  No
- 7. Have you had a professional license, or an insurance license denied, suspended, or revoked in Texas or any other state?  Yes  No
- 8. Have you had any judgments against you held by an insurance company or insured person or business that are unpaid in whole or in part?  Yes  No
- 9. Have you had any judgments against you that involved a violation of the Texas Insurance Code or the insurance laws of any other state?  Yes  No
- 10. Have you ever applied for a letter of consent, as required under section 18 U.S.C. 1033(e), from any insurance regulatory official from Texas or any other state?  Yes  No

**If yes:**

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

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

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

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

► **Fingerprint background check:**

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

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

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

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

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

► **Know your rights:**

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

Email: [[OpenRecords@tdi.texas.gov](mailto:OpenRecords@tdi.texas.gov)]

Fax: [512-490-1021]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

[Austin, Texas 78714-9104]

**You have the right to ask that we fix information we have about you that is wrong:** If you want to ask that we fix information we have about you that is wrong, you must ask us in writing. The letter or email must have: (1) your name and mailing address, (2) your phone number, (3) details about what needs to be fixed, and (4) the reason or proof showing why the information is wrong. You can send your letter or email one of these ways:

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[Austin, Texas 78714-9104]



## Title insurance agent or direct operation appointment

**Use this form to:**

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

► **Answer the following questions:**

**Title insurance company**

Company name \_\_\_\_\_

Company TDI license number \_\_\_\_\_

**Title insurance agent or direct operation** (if applicable)

Name \_\_\_\_\_

TDI license number (if they have one) \_\_\_\_\_

Firm ID number (if they have one) \_\_\_\_\_

**The contact for this form**

Contact name \_\_\_\_\_

Contact email \_\_\_\_\_

Contact phone number \_\_\_\_\_

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

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

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

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

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

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

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

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

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

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

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

**The title insurance agent or direct operation's appointment will end on** \_\_\_\_\_  
Date

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

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

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

- A title insurance company is the only underwriter for the title insurance agent when the appointment ends.
- and
- The title insurance agent is not seeking an appointment by another title insurance company.

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

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

► **Sign here:**

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

\_\_\_\_\_  
Contact's signature

\_\_\_\_\_  
Date

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

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

State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, notary public, on this day personally appeared \_\_\_\_\_,  
Contact's name

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

(Personalized seal)

\_\_\_\_\_  
Notary public's signature

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

**Mail:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[PO Box 149104]  
[Austin, Texas 78714-9104]

**Overnight mail or in person:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[333 Guadalupe]  
[Austin, Texas 78701]

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In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

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In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]



## Title insurance agent or direct operation renewal application

### To renew the license, you must:

- Meet the continuing education requirements under Procedural Rule P-28.III.A of the Title Insurance Basic Manual [(www.tdi.texas.gov/title/titleman.html)].
- Send \$35. If this form is not sent by the current license expiration date, you also must send an additional late fee of \$25. (TDI does not give refunds or allow fee transfers).

### ► Answer the following questions:

TDI license number \_\_\_\_\_

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

Name as listed on the license \_\_\_\_\_

Contact phone \_\_\_\_\_

Contact email \_\_\_\_\_

**📎 If the title insurance agent or direct operation name or address changed:** Send the Title insurance agent or direct operation name or address change request (Form FINT129). You can find this form at [www.tdi.texas.gov/forms/title.html.]

### Information about any offenses

When answering the following question: (1) include any charge filed against any officers, directors, or individuals in control, as defined by Administrative Rule Definitions.E, (2) in Texas, any other state, or by the federal government, and (3) do not include traffic violations and first offense DWI (driving while intoxicated or under the influence).

Since getting the license or since the last renewal:

- Have any officers, directors, or individuals in control been charged with a misdemeanor or felony?  Yes  No
- Do any officers, directors, or individuals in control have any pending misdemeanor or felony charges (by indictment, information, or any other instrument)?  Yes  No

**📎 If you answered "Yes":** Attach a certified copy of: (a) the indictment or charging document, (b) conviction, (c) order deferring adjudication, and / or (d) judgment and conditions of probation from the appropriate jurisdiction. This is needed for each crime or offense.

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

**Title insurance continuing education**

Only answer the following questions if this form is for a sole proprietorship or partnership:

- Have the required number of continuing education credit hours been completed by the sole proprietor or the partner(s) who are in control?  Yes  No
- If you answered "No," has TDI approved an extension or exemption?  Yes  No

**► Sign here:**

I confirm that I have reported to TDI any required criminal history, and that the answers I gave on this form are true and correct:

\_\_\_\_\_  
Applicant's signature

\_\_\_\_\_  
Date

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

State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, notary public, on this day personally appeared \_\_\_\_\_,  
Applicant's name

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

(Personalized seal)

\_\_\_\_\_  
Notary public's signature

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

**Mail:**

[Texas Department of Insurance]  
[Title Licensing (Mail code 107-TL)]  
[PO Box 149104]  
[Austin, Texas 78714-9104]

**Overnight mail or in person:**

[Texas Department of Insurance]  
[Title Licensing (Mail code 107-TL)]  
[333 Guadalupe]  
[Austin, Texas 78701]

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

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

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Fax: [512-490-1021]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

[Austin, Texas 78714-9104]

**You have the right to ask that we fix information we have about you that is wrong:** If you want to ask that we fix information we have about you that is wrong, you must ask us in writing. The letter or email must have: (1) your name and mailing address, (2) your phone number, (3) details about what needs to be fixed, and (4) the reason or proof showing why the information is wrong. You can send your letter or email one of these ways:

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In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]



### Title insurance agent or direct operation change request form

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

TDI license number \_\_\_\_\_

Firm ID number \_\_\_\_\_

Name as listed on the license \_\_\_\_\_

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

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

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

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

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

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

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

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

- 📎 For any new officers or directors listed above, attach a Title insurance licensing biographical information (Form FINT08) if they are one of the following individuals for your business type:
- For a sole proprietorship, the sole proprietor and each designated on-site manager.
  - For a partnership, each designated on-site manager and partner who is in control.
  - For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
  - Each controlling person of an entity or partnership who is in control of the licensed entity or partnership.

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

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

**Mailing address**

Street address, route, or PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Physical address**

Street address, physical location, or route \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

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

Contact name \_\_\_\_\_

Contact phone number (include area code) \_\_\_\_\_

Contact email \_\_\_\_\_

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

**New name of license holder** \_\_\_\_\_

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

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

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

**New assumed name of license holder** \_\_\_\_\_

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

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

**Assumed name that is no longer used** \_\_\_\_\_

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

► **Sign here:**

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

\_\_\_\_\_  
Representative's signature

\_\_\_\_\_  
Date

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

State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, notary public, on this day personally appeared \_\_\_\_\_,  
Applicant representative's name

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

(Personalized seal)

\_\_\_\_\_  
Notary public's signature

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

**Mail:**

[Texas Department of Insurance]  
[Title Licensing (Mail code 107-TL)]  
[PO Box 149104]  
[Austin, Texas 78714-9104]

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Mail: [Texas Department of Insurance]

[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]



### Texas Title Insurance Agent/Direct Operation Bond

**Bond No:** \_\_\_\_\_

**Know all persons by these presents:**

**That we** \_\_\_\_\_  
**Title Insurance Agent/Direct Operation Full Legal Name**

as Principal, whose Texas physical address is \_\_\_\_\_

and \_\_\_\_\_ as Surety, being a surety company authorized to do business in the State of Texas, are held and firmly bound unto the Texas Department of Insurance in the sum of \$ \_\_\_\_\_ (bond amount determined by §2651.101 of the Texas Insurance Code), payable to the Texas Department of Insurance for the use and benefit of any injured party, lawful money of the United States for the payment of which well and truly to be made, we, jointly and severally by these presents, do firmly bind ourselves, our heirs, executors, administrators, successors and assigns.

The conditions of the above obligations are such that:

**Whereas,** the above named Principal has made application to the Texas Department of Insurance for a license as a Title Insurance Agent or Direct Operation to engage in or continue in the business of a Title Insurance Agent or Direct Operation, in accordance with the provisions of the "Texas Title Insurance Act".

**Now, therefore,** if the Principal shall pay to the Texas Department of Insurance such pecuniary losses as may result to any participant in an insured real estate transaction which shall be sustained through acts of fraud, dishonesty, theft, embezzlement, or willful misapplication on the part of said Principal then this obligation shall be void, otherwise to remain in full force and effect, subject to the following conditions:

1. It is agreed that as of \_\_\_\_\_, \_\_\_\_\_ this bond shall be in full force and effect indefinitely and that a continuation or renewal certificate is unnecessary.
2. The surety may at any time cancel this bond by giving thirty (30) days written notice to the Texas Department of Insurance, the surety, however, remaining liable for any defaults under this bond committed prior to the expiration of such thirty-day period.
3. In no event shall the aggregate liability of the Surety under this bond for any and all damages to one or more claimants exceed the penal sum of this bond.

**In witness whereof** said Principal and Surety have executed this bond this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ to be effective on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Principal**  
 By: \_\_\_\_\_  
 Address: \_\_\_\_\_

\_\_\_\_\_  
**Surety**  
 By: \_\_\_\_\_  
**Attorney-in-Fact**

\_\_\_\_\_  
**Local Recording Agent**



**Texas Department of Insurance**

PO Box 149104 | Austin, TX 78714 | 1-800-578-4677 | tdi.texas.gov

## Texas Escrow Officers Schedule Bond

**Bond No:** \_\_\_\_\_

**Title Insurance Agent or Direct Operation:** \_\_\_\_\_  
Full Legal Name

**Physical Address:** \_\_\_\_\_  
Address in Texas of the title insurance agent or direct operation

**Know all persons by these presents**, that the Surety, \_\_\_\_\_,  
located \_\_\_\_\_, as Surety is held and firmly bound unto the  
Address of Surety Company

Texas Department of Insurance in the penal sum of \$\_\_\_\_\_ for each Escrow Officer shown on the attached schedule as employed and appointed by the Title Insurance Agent or Direct Operation referred to above, but the aggregate liability of the surety for all such Escrow Officers for any and all losses shall in no event exceed said penal sum for the payment of which, well and truly to be made, the Surety binds itself, its successors and assigns by these presents.

**Whereas**, each Escrow Officer named in the attached schedule has been duly licensed to act in such capacity by the Texas Department of Insurance and is currently employed and appointed by said Title Insurance Agent or Direct Operation and

**Whereas**, under §2652.101 of the Texas Insurance Code, said Title Insurance Agent or Direct Operation is required to procure this bond on its Escrow Officers.

**Now, therefore**, the condition of the foregoing obligation is such that if each Escrow Officer named in the attached schedule shall pay to the Texas Department of Insurance such pecuniary loss which the above named Title Insurance Agent or Direct Operation shall sustain while this bond is in effect through acts of fraud, dishonesty, forgery, theft, embezzlement, or willful misapplication on the part of such Escrow Officer, either directly or alone, or in connivance with others, then this obligation shall be void; otherwise to remain in full force and effect.

This bond shall be effective as of the beginning of the \_\_\_\_\_ day of \_\_\_\_\_ and shall continue until liability hereunder is terminated as provided herein below.

The Surety may at any time terminate its liability under this bond as to any or all Escrow Officers on the attached list by giving thirty (30) days written notice to the Title Insurance Agent or Direct Operation, named above, and to the Texas Department of Insurance at its office in Austin; and at the end of said 30 days, liability of the Surety for any and all further acts of such officer or officers shall cease.

Signed, Sealed and Dated this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Name of Surety Company

\_\_\_\_\_  
Attorney-in-Fact

\_\_\_\_\_  
Local Recording Agent

Exhibit 2018-10  
Administrative Rule L-2

**L-2. TITLE INSURANCE ESCROW OFFICER**

**I. GENERAL REQUIREMENTS**

- A. The Texas Title Insurance Act, under Texas Insurance Code §2501.003(4), defines "escrow officer" as an attorney or bona fide employee of either (i) an attorney licensed as an escrow officer, (ii) a direct operation, or (iii) a title insurance agent, whose duties include any of the following:
1. countersigning title insurance forms;
  2. supervising the preparation and delivery of title insurance forms;
  3. signing escrow checks; or
  4. closing the transaction, as described by Texas Insurance Code §2501.006.
- B. A person may not act as an escrow officer without being licensed by TDI, and being covered by a surety bond or deposit as required by Texas Insurance Code Chapter 2652, Subchapter C; and a title insurance agent or direct operation may not employ or appoint any person as an escrow officer who is not licensed and bonded in accordance with the provisions of the Texas Title Insurance Act.
- C. An attorney is not required to be licensed as an escrow officer in order to perform the duties of an escrow officer as defined in Texas Insurance Code §2501.003(4). All non-attorney employees of an attorney who perform any of the duties of an escrow officer are required to be licensed and appointed as an escrow officer by a title insurance agent or direct operation. Notwithstanding the foregoing, a direct operation or title insurance agent may not permit an attorney to conduct the attorney's business in the name of the direct operation or title insurance agent unless the attorney and all of the bona fide employees of the attorney who perform any of the duties of an escrow officer are licensed and appointed as escrow officers.
- D. An attorney may become licensed as an escrow officer, in which case the attorney must comply with all requirements of the Texas Insurance Code with

Exhibit 2018-10  
Administrative Rule L-2

regard to escrow officers and trust funds, as if the attorney were a title insurance agent. All escrow accounts used by licensed and appointed escrow officers for closing transactions are subject to the audit requirements contained in Texas Insurance Code Chapter 2651, Subchapter D. An attorney licensed and appointed as an escrow officer must use a title insurance agent escrow account to close title insurance transactions. The transaction must be closed in the title insurance agent's name.

- E. Neither the sole proprietor nor an individual partner of a title insurance agent, doing business as a sole proprietorship or partnership, are required to be licensed as an escrow officer. The employees of such title insurance agents who perform any or all of the duties of an escrow officer must be licensed and appointed as an escrow officer. Each corporate officer and employee of a title insurance agent, doing business as an entity, who performs any or all of the duties of an escrow officer must be licensed and appointed as an escrow officer.
- F. All of the forms referred to in this rule are available on the TDI website and on request from TDI. Forms may be submitted electronically if such submission is available.
- G. A military service member, military veteran, or military spouse, as defined under Texas Occupations Code §55.001, may apply under 28 Texas Administrative Code §19.803 for, and be granted, any waiver, extension, exemption, or alternative licensing requirement for the applicable requirements of Administrative Rule L-2.

**II. ESCROW OFFICER LICENSE APPLICATION AND ISSUANCE**

- A. To obtain an escrow officer license, the applicant must submit to TDI:
  - 1. a complete Application for Escrow Officer License (FINT132) form;
  - 2. an Escrow Officer Appointment (FINT09) form completed by the appointing title insurance agent or direct operation; and

Exhibit 2018-10  
Administrative Rule L-2

3. a payment of the nonrefundable license application fee of \$35. The fee may be paid by the applicant or the appointing title insurance agent or direct operation.
- B. The appointing title insurance agent or direct operation is responsible for obtaining, maintaining, and updating the title insurance agent's escrow officers schedule bond or deposit as required under Administrative Rules L-1.II.B.5, L-1.V.B.4, L-3.II.B.4, and L-3.V.B.4.
- C. The initial license application fee will not be prorated based on the expiration period of the license under Administrative Rule L-2.IV.A.
- D. An appointment fee is not required for the first appointment submitted with an Application for Escrow Officer License (FINT132) form. Additional appointments submitted with the application or after the issuance of the escrow officer license require the submission of a nonrefundable \$10 fee with the Escrow Officer Appointment (FINT09) form.

**III. ESCROW OFFICER APPOINTMENTS**

- A. APPOINTMENT.
  1. A licensed escrow officer is not required to obtain an additional license to be employed or appointed by additional title insurance agents or direct operations.
  2. Each title insurance agent or direct operation must separately appoint the escrow officer and update and maintain the title insurance agent's escrow officers schedule bond or deposit as required under Administrative Rules L-1.V.B.4 and L-3.V.B.4.
  3. To appoint a licensed escrow officer, a title insurance agent or direct operation must complete and submit to TDI the Escrow Officer Appointment (FINT09) form with payment of the nonrefundable \$10 appointment fee.

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Administrative Rule L-2

4. Unless otherwise notified by TDI, the escrow officer may act as an escrow officer for the appointing title insurance agent or direct operation after:
  - a. the second business day after the date the form is submitted to TDI through TDI's designated electronic process; or
  - b. the eighth business day after the date the form is submitted to TDI by other means.

**B. APPOINTMENT CANCELLATION.**

1. An escrow officer appointment only expires on the revocation, termination, or nonrenewal of the escrow officer's license, or termination of the escrow officer's employment with the title insurance agent or direct operation that made the appointment.
2. Whenever an escrow officer ceases to act as an escrow officer or the escrow officer's employment with a title insurance agent or direct operation ends, the title insurance agent or direct operation must immediately complete and submit the Escrow Officer Appointment (FINT09) form to TDI. A copy of the completed form must be provided to the escrow officer.
3. The appointment will be canceled by TDI on receipt of the complete Escrow Officer Appointment (FINT09) form.
4. A title insurance agent or direct operation may remove an individual from its escrow officers schedule bond and decrease the aggregate amount of the bond, as applicable, on cancellation of that individual's escrow officer appointment.

**IV. ESCROW OFFICER LICENSE EXPIRATION, RENEWAL, AND SURRENDER**

- A. EXPIRATION. Prior to March 18, 2019, licenses expire under the provisions in effect prior to the adoption of this subsection. This subsection becomes applicable to unexpired licenses on March 18, 2019.

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Administrative Rule L-2

1. An escrow officer license expiration date will be determined as provided in Texas Insurance Code §4003.001, except that the expiration date will be extended to the last day of the individual's birth month.
  - a. An extension of the license period under this paragraph will not result in an increase of any license fee.
  - b. An escrow officer is not required to obtain additional continuing education during an extended license period under this paragraph.
2. If an escrow officer license applicant has an existing license and obtains a new escrow officer license, the initial license period of the new escrow officer license will be aligned:
  - a. to the existing license's expiration date; or
  - b. if the initial license period of the new license is less than six months based on the alignment of the license expiration date to the existing license expiration date, TDI will use the next expected renewal date of the existing license as the expiration date for the initial period of the new license.
  - c. The initial license application fee for a new license under this paragraph will not be reduced or increased based on the length of the initial license period for the new license.
  - d. An escrow officer is not required to obtain additional continuing education credit hours during an extended license period under this paragraph.
3. Notwithstanding Administrative Rule L-2.IV.A.1, unexpired escrow officer licenses held as of March 18, 2019, expire as follows:
  - a. Each unexpired escrow officer license held as of that date expires on the last day of the individual escrow officer's next birth month after the expiration date of the escrow officer license with the longest

Exhibit 2018-10  
Administrative Rule L-2

remaining term held by that person on that date. Thereafter, all licenses expire in accordance with Administrative Rule L-2.IV.A.1.

- b. To the extent the term of an existing license is extended under this paragraph, TDI will not charge an additional fee or require a renewal application before the renewal date established under this paragraph.
  - c. An escrow officer is not required to obtain additional continuing education during an extended license period.
- B. RENEWAL. An escrow officer may renew a license that has not been revoked or surrendered, as follows:
1. To renew the license on or before the license expiration date, the escrow officer must:
    - a. complete the Escrow Officer License Renewal Application (FINT02) form;
    - b. submit the form to TDI with payment of the nonrefundable license renewal fee of \$35, which may be paid by the escrow officer or the appointing title insurance agent or direct operation that has appointed the escrow officer; and
    - c. comply with the continuing education requirements of Procedural Rule P-28.III.A.
  2. Failure of an escrow officer to comply with Administrative Rule L-2.IV.B.1 on or before the expiration date of the license results in expiration of the escrow officer's license.
  3. If an escrow officer's license has been expired for 90 calendar days or less, the escrow officer may renew the license by complying with the license renewal requirements of Administrative Rule L-2.IV.B.1 and submitting an

Exhibit 2018-10  
Administrative Rule L-2

additional nonrefundable late fee of \$17.50, which is half the initial license application fee.

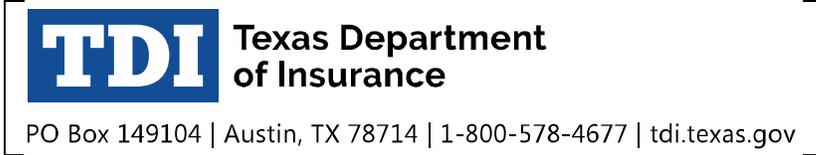
4. If the escrow officer's license is expired for more than 90 calendar days, the license may not be renewed and all escrow officer appointments are canceled. The individual must submit a new Application for Escrow Officer License (FINT132) form and satisfy the requirements of Administrative Rule L-2.II to obtain a new license.
- C. SURRENDER OF LICENSE.
1. An escrow officer may voluntarily surrender his or her license at any time by giving written notice to TDI.
  2. The license is terminated as of the date TDI receives the written notice of the surrender.
  3. All current appointments under the license are canceled as of the date of license termination without any further required action by an appointing title insurance agent or direct operation.
  4. A title insurance agent or direct operation may remove an individual from its escrow officers schedule bond and decrease the aggregate amount of the bond, as applicable, on termination of that individual's escrow officer license.

**V. CHANGE OF NAME, ADDRESS, OR CONTACT INFORMATION OF A LICENSED ESCROW OFFICER**

- A. An escrow officer must notify TDI using the Escrow Officer Name or Address Change Request (FINT01) form if the escrow officer's name, residential, mailing, or email address, or telephone number changes.
- B. If the escrow officer's name changes, the escrow officer must notify all appointing title insurance agents and direct operations if the escrow officer's name changes.

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Administrative Rule L-2

- C. If the escrow officer's name changes, all appointing title insurance agents and direct operations must adjust the escrow officers schedule bond as required under Administrative Rules L-1.V.B.4 and L-3.V.B.4.



## Application for escrow officer license

### ► Answer the following questions:

#### Section 1: Questions about name, contact information, and military background

Applicant name \_\_\_\_\_  
First Middle Last Suffix

**Have you ever held a professional license, insurance license, or company appointment under any other name?**  Yes  No

If yes, what is the other name? \_\_\_\_\_

Social Security number \_\_\_\_\_

Driver's license number \_\_\_\_\_

Date of birth \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Home mailing address

Street address, route, or PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home physical address

Street address, physical location, or route \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

#### Do you qualify as any of the following?

- **Military service member:** A person who is currently serving in: (1) the armed forces of the United States, (2) a reserve component of the armed forces, including the National Guard, or (3) a state military service of any state.  Yes  No
- **Military spouse:** A person who is married to a military service member who is currently on active duty.  Yes  No
- **Military veteran:** A person who has served in: (1) the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States, or (2) in an auxiliary service of one of those branches of the armed forces.  Yes  No

**Section 2: Questions about legal offenses**

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

1. Do you have any pending misdemeanor or felony charges (by indictment, information, or any other instrument)?  Yes  No
2. Have you been convicted of any misdemeanor or felony offense?  Yes  No
3. Have you had adjudication deferred on any misdemeanor or felony charge or offense?  Yes  No
4. Have you served any period of probation for any misdemeanor or felony offense?  Yes  No

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

- A certified copy of: (a) the indictment or charging document, (b) conviction, (c) order deferring adjudication, and/or (d) judgment and conditions of probation from the appropriate jurisdiction. This is needed for each crime or offense.  
or
- A statement that explains that you already sent information about the crime or offense to the Texas Department of Insurance.

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

**Section 3: Questions about licenses, litigation, and more**

5. Have you ever had a professional license, including an insurance license or company appointment, that was refused, suspended, or revoked in Texas or any other state?  Yes  No
6. Are you indebted to a special deputy receiver of the Texas Department of Insurance, any insurance company, general agent, or agent?  Yes  No
7. Have you ever had an agency contract canceled for cause such as misrepresentation or misappropriation?  Yes  No
8. Have you ever been placed under injunction or restraining order of a court or regulatory agency because you violated a federal or state law relating to insurance or securities?  Yes  No
9. Do you have pending litigation against you alleging a violation of the Texas Insurance Code or the insurance laws of any other state?  Yes  No

10. Have you ever held an ownership interest in any insurance agency or company?  Yes  No
11. Do you have any judgments against you held by any insurance company or insured person or business that are unpaid in whole or in part?  Yes  No
12. Do you have any judgments against you which involved a violation of the Texas Insurance Code or the insurance laws of any other state?  Yes  No

**If you answered "Yes" to any question in Section 3, attach one of the following:**

- A statement with dates and details.
- or
- A statement that explains that you already sent information to the Texas Department of Insurance.

**► Along with this form, send the following:**

- Application fee of \$35. (TDI does not give refunds or allow fee transfers).
- The [IdentoGO by MorphoTrust USA fingerprint receipt].
- Most people who apply for an escrow license must: (1) get a fingerprint background check, and (2) send us a copy of the receipt showing that their fingerprints were sent to the Texas Department of Public Safety.
  - To schedule a fingerprint appointment, go to [IdentoGO or call 1-888-467-2080. Use service code 11G6QF when making the appointment.]
  - **You do not need to get a fingerprint background check if you live in Texas and either:** (1) have an active license or registration with TDI, or (2) had an escrow officer license that has not been canceled for more than 60 days.

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

To learn more about requirements, go to [[www.tdi.texas.gov/agent/escrow-officer-apply.html](http://www.tdi.texas.gov/agent/escrow-officer-apply.html)].

**► Sign here:**

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

\_\_\_\_\_  
Applicant's signature

\_\_\_\_\_  
Date

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

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

State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, notary public, on this day personally appeared \_\_\_\_\_,  
Applicant's signature

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

(Personalized seal)

\_\_\_\_\_  
Notary public's signature

---

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

**Mail:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[PO Box 149104]  
[Austin, Texas 78714-9104]

**Overnight mail or in person:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[333 Guadalupe]  
[Austin, Texas 78701]

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

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

**► Know your rights:**

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

Email: [[OpenRecords@tdi.texas.gov](mailto:OpenRecords@tdi.texas.gov)]

Fax: [512-490-1021]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

[Austin, Texas 78714-9104]

**You have the right to ask that we fix information we have about you that is wrong:** If you want to ask that we fix information we have about you that is wrong, you must ask us in writing. The letter or email must have: (1) your name and mailing address, (2) your phone number, (3) details about what needs to be fixed, and (4) the reason or proof showing why the information is wrong. You can send your letter or email one of these ways:

Email: [[RecordCorrections@tdi.texas.gov](mailto:RecordCorrections@tdi.texas.gov)]

Fax: [512-490-1025]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]



## Escrow officer appointment

### Use this form to:

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

### ► Answer the following questions:

#### Title insurance agent or direct operation

Name \_\_\_\_\_

TDI license number \_\_\_\_\_

Firm ID number \_\_\_\_\_

#### Escrow officer

Name \_\_\_\_\_  
First Middle Last Suffix

TDI license number (if the escrow officer has one) \_\_\_\_\_

### ► Fill out this section to appoint an escrow officer

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

#### Employment status

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

Name of attorney \_\_\_\_\_

TDI license number \_\_\_\_\_

**Escrow officer bond or deposit.** Choose only one.

**Surety bond**

Bonding company name \_\_\_\_\_

Bond number \_\_\_\_\_

Bond amount \$ \_\_\_\_\_

**Letter of credit**

Bank name of issuance \_\_\_\_\_

Letter number \_\_\_\_\_

Credit amount \$ \_\_\_\_\_

**Cash deposit**

Depository institution \_\_\_\_\_

Cash deposit receipt number \_\_\_\_\_

Deposit amount \$ \_\_\_\_\_

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

The escrow officer's appointment will end on \_\_\_\_\_  
Date

► **Sign here:**

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

\_\_\_\_\_  
Appointing official's signature

\_\_\_\_\_  
Date

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

State of \_\_\_\_\_

County of \_\_\_\_\_

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

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

(Personalized seal)

\_\_\_\_\_  
Notary public's signature

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

**Mail:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[PO Box 149104]  
[Austin, Texas 78714-9104]

**Overnight mail or in person:**

[Texas Department of Insurance]  
[Title Licensing, Mail Code 107-TL]  
[333 Guadalupe]  
[Austin, Texas 78701]

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

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

► **Know your rights:**

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

Email: [[OpenRecords@tdi.texas.gov](mailto:OpenRecords@tdi.texas.gov)]

Fax: [512-490-1021]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

[Austin, Texas 78714-9104]

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Email: [[RecordCorrections@tdi.texas.gov](mailto:RecordCorrections@tdi.texas.gov)]

Fax: [512-490-1025]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]



## Escrow officer license renewal application

### To renew your license, you must:

- Meet the continuing education requirements under Procedural Rule P-28.III.A of the Title Insurance Basic Manual [(www.tdi.texas.gov/title/titleman.html)].
- Send \$35. If this form is not sent by the current license expiration date, you also must send an additional late fee of \$17.50. (TDI does not give refunds or allow fee transfers).

### ► Answer the following questions:

TDI license number \_\_\_\_\_

Name as listed on your license:

First name	Middle name	Last name	Suffix
_____	_____	_____	_____

Phone \_\_\_\_\_

Email \_\_\_\_\_

**📎 If your name or address changed:** Send the Escrow officer name or address change request (Form FINT01). You can find this form at [(www.tdi.texas.gov/forms/title.html)].

### Information about any offense filed against you

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

Since getting your license or since the last renewal:

- Have you been charged with a misdemeanor or felony?  Yes  No
- Do you have any pending misdemeanor or felony charges (by indictment, information, or any other instrument)?  Yes  No

**📎 If you answered "Yes":** Attach a certified copy of: (a) the indictment or charging document, (b) conviction, (c) order deferring adjudication, and/or (d) judgment and conditions of probation from the appropriate jurisdiction. This is needed for each crime or offense.

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

**Title insurance continuing education**

- Have you completed the required number of continuing education credit hours?  Yes  No
- If you answered "No," has TDI approved an extension or exemption?  Yes  No

► **Sign here:**

I confirm that I have reported to TDI any required criminal history, and that the answers I gave on this form are true and correct:

\_\_\_\_\_

Applicant's signature Date

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

State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, notary public, on this day personally appeared \_\_\_\_\_,

Applicant's name

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

(Personalized seal)

\_\_\_\_\_

Notary public's signature

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

**Mail:**

[Texas Department of Insurance]  
 [Title Licensing (Mail code 107-TL)]  
 [PO Box 149104]  
 [Austin, Texas 78714-9104]

**Overnight mail or in person:**

[Texas Department of Insurance]  
 [Title Licensing (Mail code 107-TL)]  
 [333 Guadalupe]  
 [Austin, Texas 78701]

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

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

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Email: [[OpenRecords@tdi.texas.gov](mailto:OpenRecords@tdi.texas.gov)]

Fax: [512-490-1021]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

[Austin, Texas 78714-9104]

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In person: [333 Guadalupe, Austin, Texas 78701]

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[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]



**Texas Department  
of Insurance**

PO Box 149104 | Austin, TX 78714 | 1-800-578-4677 | tdi.texas.gov

## Escrow officer name or address change request form

You must fill out and send us this document within 30 days of a change to your name or address becomes official.

TDI license number: \_\_\_\_\_

Name as listed on your license:

\_\_\_\_\_

First name

Middle name

Last name

Suffix

### ► Fill out this section if you changed your name:

New legal name:

\_\_\_\_\_

First name

Middle name

Last name

Suffix

📎 Attach a copy of an official document showing that your name changed. For example, send a copy of a marriage certificate or divorce decree.

### ► Fill out all parts of this section if your address changed:

Phone numbers:

Personal (\_\_\_\_) \_\_\_\_\_ Business (\_\_\_\_) \_\_\_\_\_

Email addresses:

Personal \_\_\_\_\_ Business \_\_\_\_\_

Home address:

Street address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Is your mailing address the same as your home address (primary residence)?**  Yes  No

**If no, what is your mailing address?**

Mailing address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_



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Fax: [512-490-1021]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Public Information Coordinator]

[PO Box 149104 (Mail code 110-1C)]

[Austin, Texas 78714-9104]

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Email: [[RecordCorrections@tdi.texas.gov](mailto:RecordCorrections@tdi.texas.gov)]

Fax: [512-490-1025]

In person: [333 Guadalupe, Austin, Texas 78701]

Mail: [Texas Department of Insurance]

[Record Correction Request]

[PO Box 149104 (Mail code 113-1C)]

[Austin, Texas 78714-9104]

### **L-3. DIRECT OPERATION LICENSE**

#### **I. GENERAL REQUIREMENTS**

##### **A. ENGAGE IN BUSINESS.**

1. A title insurance company may not own or lease and operate an abstract plant or participate in a bona fide joint abstract plant operation in a county in Texas unless the company holds a license as a direct operation issued by TDI for that county.
2. A title insurance company may not write, sign, or deliver title insurance in a county in which the title insurance company operates an abstract plant until TDI has issued a direct operation license to the title insurance company.
3. A title insurance company licensed as a direct operation must comply with the requirements of Texas Insurance Code Chapter 2651, Subchapter C, and Chapter 2652, Subchapter C.
4. A direct operation may not employ an individual to act as an escrow officer for the direct operation unless the individual:
  - a. holds an escrow officer license issued by TDI;
  - b. is covered by a surety bond or deposit as required under Texas Insurance Code Chapter 2652, Subchapter C; and
  - c. is appointed under Texas Insurance Code §2652.1511 as an escrow officer by the direct operation.

**B. BOOKS AND RECORDS.** All books and records of the direct operation must be maintained in such a manner as to be auditable and demonstrate compliance.

**C. FORMS.** All of the forms referred to in this rule are available on the TDI website and on request from TDI. Forms may be submitted electronically if such submission is available.

Exhibit 2018-15  
Administrative Rule L-3

- D. TITLE PLANT. Each direct operation must maintain at all times a current and completed Abstract Plant Information T-52 (FINT120) form available for TDI inspection on request. The direct operation is not required to submit Abstract Plant Information T-52 (FINT120) form to TDI unless requested.

**II. DIRECT OPERATION LICENSE APPLICATION AND ISSUANCE**

- A. APPLICANT. An applicant for a direct operation license may not obtain more than one direct operation license for each Federal Tax Identification Number.
- B. APPLICATION. An applicant for a direct operation license must complete and submit the Application for Title Insurance Agent or Direct Operation License (FINT143) form, signed by a corporate officer of the title insurance company, following all form instructions, and include:
1. fingerprints, if required under 28 Texas Administrative Code §1.503;
  2. if the applicant will use an assumed name, a copy of a valid Assumed Name Certificate filed with the Secretary of State or County Clerk for each county in which the direct operation will operate;
  3. a Title Insurance Agent or Direct Operation Appointment (FINT10) form following all form instructions, including disclosure of counties where the applicant will operate, and attesting that the applicant:
    - a. has a current Schedule D; and
    - b. has an abstract plant that meets the requirements of Procedural Rule P-12 and Texas Insurance Code §2501.004, or has an abstract plant lease for each county listed on the form in which the applicant will transact business for the title insurance company;
  4. proof of bond purchase or deposit in compliance with the requirements of Texas Insurance Code Chapter 2651, Subchapter C, and Chapter 2652, Subchapter C:

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Administrative Rule L-3

- a. in the form of a completed Texas Title Insurance Agent/Direct Operation Bond (FINT122) form, a completed Texas Escrow Officers Schedule Bond (FINT123) form, a TDI cash receipt or evidence of securities approved by TDI, or a copy of an irrevocable letter of credit;
  - b. with the amount of the direct operation bond or deposit being the greater of:
    - i. \$10,000; or
    - ii. an amount equal to 10 percent of the gross premium written by the direct operation in accordance with the latest statistical report to TDI but not to exceed \$100,000;
  - c. with the aggregate amount of the escrow officer bond or deposit, up to a maximum of \$50,000, determined by multiplying the number of employed and appointed escrow officers by:
    - i. \$5,000 for each individual who is a bona fide Texas resident; and
    - ii. \$10,000 for each individual who is a bona fide resident of a state adjacent to Texas; and
  - d. listing each escrow officer employed and appointed by the direct operation on the bond schedule;
5. a list of all branch office addresses and telephone numbers; and
  6. a nonrefundable application fee of \$50.

**III. DIRECT OPERATION APPOINTMENTS**

**A. APPOINTMENT.**

1. A title insurance company may appoint a direct operation by submitting the required nonrefundable \$16 appointment fee with the Title Insurance Agent or Direct Operation Appointment (FINT10) form completed by the title insurance company's appointing official, following all form instructions, and attesting that the applicant:

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- a. has a current Schedule D;
  - b. has an agency contract with the title insurance company; and
  - c. has an abstract plant that meets the requirements of Procedural Rule P-12 and Texas Insurance Code §2501.004, or has an abstract plant lease for each county listed on the form in which the direct operation is appointed to transact business for the title insurance company.
2. The appointment is effective on the eighth business day following the date the notice of appointment is complete and TDI receives the appointment fee, unless TDI notified the title insurance company that the appointment was rejected. The notice of appointment is complete when TDI receives a complete Title Insurance Agent or Direct Operation Appointment (FINT10) form and the required fee.
  3. A direct operation may be appointed by multiple title insurance companies for each county.
  4. Direct operation appointments do not expire and remain effective until terminated.
- B. APPOINTMENT MAINTENANCE.
1. After the direct operation has been appointed, the title insurance company may add or remove counties from the appointment by submitting the Title Insurance Agent or Direct Operation Appointment (FINT10) form completed by the title insurance company's appointing official, following all form instructions to list any counties to be added or deleted, and attesting that the applicant:
    - a. has a current Schedule D;
    - b. has an agency contract with the title insurance company; and
    - c. has an abstract plant that meets the requirements of Procedural Rule P-12 and Texas Insurance Code §2501.004, or has an abstract plant

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lease for each county listed on the form in which the direct operation is appointed to transact business for the title insurance company.

2. A direct operation may not operate in an additional county on behalf of a title insurance company until the earlier of:
    - a. the eighth business day following the date the complete Title Insurance Agent or Direct Operation Appointment (FINT10) form is submitted, unless TDI has notified the title insurance company that the appointment has been rejected; or
    - b. when TDI's website reflects the additional counties.
- C. APPOINTMENT TERMINATION.
1. Termination of an appointment terminates the direct operation's authorization to write for the title insurance company in Texas.
  2. Deletion of all counties from an appointment terminates the appointment.
  3. Either the direct operation or title insurance company may terminate the appointment as follows:
    - a. If a title insurance company intends to terminate a direct operation's appointment, the title insurance company must give the direct operation 30 calendar days' written notice of termination before the effective date of the termination, unless the direct operation is terminated for cause, as defined in the agency agreement. The title insurance company must submit the Title Insurance Agent or Direct Operation Appointment (FINT10) form to TDI within three business days of notifying the direct operation of the termination. The notice must state the effective date of the termination. If the title insurance company terminates the appointment for cause, the title insurance company must submit an explanation of the circumstances with each notice.

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- b. If a direct operation intends to terminate the direct operation's appointment, the direct operation must give the title insurance company 30 calendar days' written notice of the termination. The direct operation must notify TDI of the termination in writing within three business days of notifying the title insurance company of the termination. Each notice must state the effective date of the termination.

**IV. DIRECT OPERATION LICENSE EXPIRATION, RENEWAL, AND SURRENDER**

- A. EXPIRATION. A direct operation's license expires two years after the date of issuance.
- B. RENEWAL. A direct operation may renew its license as follows:
  1. To renew a direct operation license, on or before the expiration date of the license, the direct operation must submit the following:
    - a. the Title Insurance Agent or Direct Operation Renewal Application (FINT03) form following all the instructions; and
    - b. a nonrefundable renewal application fee of \$35.
  2. Failure of a direct operation to submit a complete renewal application and the required renewal fee on or before the expiration date of the license results in expiration of the direct operation's license.
  3. If a direct operation's license is expired for 90 calendar days or less, the direct operation may renew the license by complying with Administrative Rule L-3.IV.B.1 and submitting an additional nonrefundable fee in the amount of \$25, which is half the initial license application fee.
  4. If a direct operation's license is expired for more than 90 calendar days, the license may not be renewed, and any title insurance company appointments and all escrow officer appointments terminate. The applicant must submit a new Application for Title Insurance Agent or

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Direct Operation License (FINT143) form and satisfy the requirements of Administrative Rule L-3.II to obtain a new direct operation license. New escrow officer appointments must be submitted prior to engaging in the business of a direct operation.

- C. **SURRENDER OF LICENSE.** A direct operation may voluntarily surrender a license at any time. The direct operation must notify TDI and any title insurance company that appointed the direct operation of the surrender not less than 45 calendar days before the effective date of the surrender. The direct operation's notice to TDI must include:
1. written notification that the direct operation is ceasing operations, including the effective date of surrender for the direct operation's license; and
  2. the direct operation's current plan for an orderly winding down of its operations and compliance with Administrative Rule D-1.

**V.CHANGE IN OPERATIONS**

- A. **NEW LICENSE REQUIRED.**
1. If a direct operation's license is expired, surrendered, or revoked, and a new license is required, the direct operation license applicant may not conduct the business of a direct operation until the applicant has been notified by TDI that its direct operation license has been issued.
  2. A direct operation license is non-transferrable. The purchase of a direct operation's assets cannot include the transfer of the direct operation license. The purchase of a title insurance company's stock is not considered a transfer of an associated direct operation's license.
- B. **NEW LICENSE NOT REQUIRED.** The following changes in the operations of a direct operation only require written notice to TDI, as provided below, unless

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the direct operation is required to apply for a new license under Administrative Rule L-3.V.A.

1. A Title Insurance Agent or Direct Operation Change Request (FINT129) form, with the information specified below, is required for:
  - a. all mergers, exchanges, and conversions, prior to the transaction, and must include a copy of any other notice or statement required to be filed with TDI and the effective date of the transaction;
  - b. a change of the direct operation's name or assumed name, including the use of additional assumed names or the abandonment of an assumed name, and must include:
    - i. if the entity name changes, a certified copy of the amended Certificate of Formation reflecting the entity name as amended, and
    - ii. if an assumed name is used, a copy of a valid Assumed Name Certificate filed with the Secretary of State and County Clerk in each county in which the direct operation will operate;
    - iii. however, a new name may not be used until the direct operation has been notified by TDI that the license has been updated with the new name;
  - c. a change in the direct operation's primary or branch office physical or mailing address, and must include written notification of the new address.
2. A Title Insurance Licensing Biographical Information (FINT08) form is required for each new designated on-site manager of the direct operation.
3. Changes in the direct operation's title plant ownership or lease must be documented in the direct operation's records and made available to TDI on request.

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4. Changes in the proof of the bond or deposit requirements of Texas Insurance Code Chapter 2651, Subchapter C, and Chapter 2652, Subchapter C, including the new or amended TDI cash receipt, copy of the surety bond, copy of the irrevocable letters of credit, or copies of securities approved by TDI, must be documented in the direct operation's records and made available to TDI on request.
5. A Title Insurance Agent or Direct Operation Appointment (FINT10) form is required if:
  - a. the direct operation will write, sign, or deliver title insurance in a new county, and must include an attestation that the direct operation:
    - i. has a current Schedule D; and
    - ii. has an abstract plant that meets the requirements of Procedural Rule P-12 and Texas Insurance Code §2501.004, or has an abstract plant lease for each county listed on the form in which the applicant will transact business for the title insurance company; or
  - b. the direct operation will no longer write, sign, or deliver title insurance in a county.

**P-28. REQUIREMENTS FOR CONTINUING EDUCATION FOR LICENSEES AND PROFESSIONAL TRAINING FOR MANAGEMENT PERSONNEL**

**I. GENERAL**

A. DEFINITIONS. In this rule:

1. "Licensee" means any individual required to complete continuing education under Texas Insurance Code §2651.204 or §2652.058.
2. "Management personnel" means each individual who is a designated on-site manager or who is responsible for the management of the day-to-day operations of the title insurance agent or direct operation in Texas.
3. "Provider" means an entity, association, or individual that offers title insurance continuing education or professional training courses and is:
  - a. a statewide title insurance association, statewide title insurance agents' association or professional association, or a local chapter of a statewide title insurance or title insurance agents' association or professional association;
  - b. an accredited college or university;
  - c. a career school or college as defined by Texas Education Code §132.001;
  - d. the State Bar of Texas;
  - e. an educational publisher;
  - f. a title insurance company authorized to do business in Texas, or a company owning one or more title insurance companies authorized to do business in Texas;
  - g. a Texas public school system; or
  - h. an individual appointed as an instructor by an entity or association described in this paragraph.
4. "TDI" means the Texas Department of Insurance.

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5. "TDI Administrator" means an independent contractor contracted by TDI under Texas Insurance Code §2652.058 and §4004.104.
- B. FORMS. All of the forms referred to in this rule are available on the TDI website and on request from TDI. Forms may be submitted electronically if such submission is available.
- C. FEES. TDI or the TDI Administrator collects the nonrefundable fees established in 28 Texas Administrative Code §19.1012(b).

## **II. COURSES AND PROVIDERS**

- A. PROVIDER REGISTRATION.
  1. A provider applicant seeking initial registration or renewal of a registration as a provider of title insurance courses must submit to TDI or the TDI Administrator an application on a form provided by TDI and the applicable provider original registration or renewal fee under 28 Texas Administrative Code §19.1012(b)(1). TDI may require the following items in order to approve or disapprove a provider's registration application:
    - a. the provider applicant's name, federal tax identification number, physical address, mailing address, and website address;
    - b. the name, telephone number, and email address of the provider applicant's designated authorized provider representative;
    - c. the name of the provider applicant's state of incorporation, domicile, or residence if the provider applicant is a corporation, partnership, limited liability company, or other legal entity not otherwise licensed or regulated by TDI;
    - d. all names used by the provider applicant to provide insurance related education courses in Texas;
    - e. a description of the provider applicant's student record system, including a description of the methods of documenting attendance;

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- f. the method used by the provider applicant for evaluating instructors;
  - g. a statement as to whether or not the provider applicant has had any certification or approval for a professional continuing education course, prelicensing education course, or a certification course revoked, suspended, or placed on probation, whether by agreement or as ordered in an administrative or judicial proceeding, by a court, financial or insurance regulator, or other agency of Texas, another state, or the United States;
  - h. a statement certifying that the provider applicant will comply with all provider and course requirements set forth in Procedural Rule P-28; and
  - i. other information as specified by TDI.
- 2. Failure to submit a completed application and all of the requested items will result in the rejection of the application.
  - 3. Providers may only obtain one registration and may, but are not required to, certify and offer continuing education courses.
  - 4. A provider registration expires two years after the date of issuance. The provider may renew its registration by complying with Procedural Rule P-28.II.A.1 up to 90 days in advance of the expiration date.
  - 5. Within 150 calendar days from the effective date of this rule, providers who are currently offering certified title insurance continuing education courses, but are not registered as providers, must apply for registration. Providers may not apply for the certification of a continuing education course until the provider has applied for registration and been approved.
- B. COURSE CERTIFICATION.
- 1. Providers must certify each title insurance continuing education course prior to offering the course by submitting to TDI or the TDI Administrator

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an application on a form provided by TDI and the applicable submission fee under 28 Texas Administrative Code §19.1012(b)(2). TDI may require the following items in order to approve or disapprove a course's certification application:

- a. a certification by the provider that the course meets the minimum requirements of Procedural Rule P-28;
- b. a statement identifying the knowledge, skills, or abilities the licensee is expected to obtain through completion of the course;
- c. instruction method and instructional medium;
- d. a detailed course outline with major topics and sub-topics, including the amount of time spent on each major topic;
- e. the method of evaluation by which the provider measures how effectively the course meets its objectives and provides for student input;
- f. the total number of course hours requested for approval, including:
  - i. the number of hours included in the total number of course hours requested for approval that will cover ethics topics;
  - ii. the method the applicant is using to determine the number of course hours;
  - iii. if using the method specified in Procedural Rule P-28.II.2.a, a list of the licensees and the time it took each licensee to complete the course; and
  - iv. if using the method specified in Procedural Rule P 28.II.2.b, a list of approved times in all other applicable states;
- g. a sample of the certificate of completion providers will issue to students under Procedural Rule P-28.II.H.1;

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- h. if applying for certification of a classroom course that will consist of other than classroom instruction, lectures, or seminars, an explanation of how the course complies with Procedural Rule P-28.II.F.1;
    - i. if applying for certification of a classroom equivalent course, an explanation of how the course complies with Procedural Rule P-28.II.F.2 and II.G.2.
    - j. if applying for certification of a self-study course, a copy of one exam;
    - k. a copy of the provider's refund policy; and
    - l. any other information requested by TDI or the TDI Administrator.
  2. Failure to submit a completed application and all of the requested items will result in the rejection of the application.
  3. Providers must notify TDI or the TDI Administrator when a course is discontinued or no longer active, and when there is a change in the provider's name, address, or telephone number, in order for TDI or the TDI Administrator to maintain an up-to-date registry of courses and to prepare, if courses are to be available to the public, a list of such courses on request.
  4. A course certification expires two years after the date of certification. If more than 25 percent of the course is changed, or if any change affects the course content breakdown as previously certified by TDI or the TDI Administrator, the course is considered revised and the provider must submit the course to TDI or the TDI Administrator for certification as a new course.
- C. COURSE ASSIGNMENT.
  1. A registered provider may request that a certified course be assigned to another registered provider by completing and submitting to TDI or the

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TDI Administrator a course assignment agreement form provided by TDI. TDI may require the following items in order to approve or disapprove a course's assignment:

- a. the assignee and assignor providers' names and registration numbers;
  - b. the certified course's name, certification number, and expiration date;
  - c. a statement regarding whether there will be any of the following changes to the certified course:
    - i. a change of more than 25 percent of the certified course's content;
    - ii. a change to the number of certified course credit hours;
    - iii. a change to the type of certified course credit hours; or
    - iv. if for a self-study course, using an examination different from the examination developed by the assignor;
  - d. the effective date of the assignment;
  - e. the termination date of the assignment; and
  - f. any other information requested by TDI or the TDI Administrator.
2. A certified course may not be assigned, unless:
- a. both assignee and assignor are registered providers under Procedural Rule P-28.II.A;
  - b. the course is not modified by:
    - i. changing more than 25 percent of the certified course content;
    - ii. changing the number of certified course credit hours;
    - iii. changing the type of certified course credit hours; or
    - iv. if a self-study course, using an examination different from the examination developed by the assignor; and
  - c. the assignment term is for not more than two years.

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3. The assignor must deliver all information required for the certification of the course under Procedural Rule P-28.II.B to the assignee. The assignee must maintain all information required for the certification of the course for the period of assignment and must submit such information to TDI or the TDI Administrator on request.
  4. Assignment of a certified course does not affect the certification period of the course.
  5. Assigned courses are considered courses of the assignee for purposes of Procedural Rule P-28 and the assignee must comply with all requirements of Procedural Rule P 28 in relation to the assigned course, except that an assignee may not assign an assigned course.
  6. TDI may not act on behalf of, or at the request of, any party in any dispute over a course assignment.
  7. TDI will consider an assignment terminated only on the following events:
    - a. the date the assignment terminates as specified in the course assignment agreement form;
    - b. the written and signed request of both the assignor and assignee, which may be granted or given to an assignor by the assignee in advance or as a condition of assignment;
    - c. termination of the assignee's registration as a provider;
    - d. expiration of the course certification; or
    - e. the order of a court of competent jurisdiction finding that the assignee is not authorized to present the course or that the assignment agreement is terminated.
  8. Assignees may not offer an assigned course after the course's certification expires, unless the originating assignor recertifies the course.
- D. COURSE CRITERIA.

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1. The purpose of continuing education is to increase the licensee's professional competence with regard to title insurance.
2. The course must have a stated purpose that reflects the goal(s) or the overall intent of the course.
3. The course must have specific written learning objectives, which support the achievement of the stated purpose of the course. The learning objectives are the desired outcomes for the learning process and identify the knowledge, skills, or aptitudes the licensee is expected to obtain.
4. The course must have a method of evaluation that measures how effectively the course meets its objectives.
5. Persons conducting a course should be knowledgeable and well versed on the topic(s), and when conducting a classroom course be able to conduct/instruct a class and provide appropriate feedback on questions.
6. The course content must be designed to increase the licensee's knowledge and understanding of one or more of the following:
  - a. title insurance principles and coverages;
  - b. title insurance law, rules, and regulations;
  - c. recent and prospective changes in coverages, law, regulations, and practice;
  - d. mortgage lending and closing transactions;
  - e. land title search or examination;
  - f. management of the licensee's title insurance business; or
  - g. duties and responsibilities of the title insurance agent or escrow officer, including ethical conduct.
7. A State Bar of Texas or State Board of Public Accountancy course is acceptable as a title insurance continuing education course as long as the course includes material pertaining to the business of title insurance, real

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property, surveys, mortgage lending, ethical conduct, or transfer of land titles.

8. Each course must be reviewed every two years by the provider and updated to remain relevant to the professional development of a licensee.

E. INSTRUCTOR REQUIREMENTS.

1. Providers must certify that course instructors are experienced and qualified in the subject to be taught, and certify that the instructors meet at least one of the following instructor criteria:
  - a. has been in the practice of teaching or co-teaching title insurance courses for at least three of the last five years and has the knowledge and experience in the subject the instructor will teach;
  - b. has been properly licensed as a licensee subject to continuing education requirements under the Texas Title Insurance Act or similar statutes of another state or jurisdiction for at least five years;
  - c. is the holder of a designation certification recognized by TDI which relates directly to the subject the instructor will teach;
  - d. has been engaged in a recognized profession that is pertinent to the subject areas to be taught, including, but not limited to, Certified Public Accountants or members of a state bar; or
  - e. is or has been employed by a title insurance company, title insurance agent, or direct operation for the last five years and has knowledge and experience in the subject the instructor will teach.
2. A provider must maintain, as a part of the provider's records, a written statement from each instructor certifying that the instructor is qualified as an instructor, the basis of qualification, and that the instructor will comply with all applicable course requirements.

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- F. TYPES OF COURSES. Continuing education courses must consist of one of the following:
1. Classroom Courses. Classroom courses may include real time lectures, seminars, audio, video, computer-based instruction, webinars, and teleconferences that meet the following requirements:
    - a. A disinterested third party attendant, an instructor, or a disinterested third party using visual observation technology must visually monitor attendance either inside or at all exits to the course presentation area at all times during the course presentation.
    - b. At least three students and an instructor must be involved in each presentation of the course; however, in circumstances involving remote presentations, all students and the instructor do not need to be in the same location. In the case of presenting recorded or text materials, the instructor making the live course presentation does not have to be the same instructor included on the recorded presentation or who prepared the text materials. Student attendees are not required to be licensees.
    - c. Question and answer and discussion periods must be provided by:
      - i. an instructor making a live presentation of the course to licensees in the same room or via real-time live audio or audio-visual connection, which must allow for immediate student inquiries and responses with the presenting instructor; or
      - ii. an instructor who is present for the entire remote, recorded, or computer-based course presentation to students in the same room, which must allow for immediate inquiries and responses of students to the instructor.
    - d. The course pace is set by the instructor.

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- e. The course does not allow for independent completion of the course by students.
  2. Classroom Equivalent Course. This type of course may consist of a digital media presentation, including internet or other computer-based presentations, that may be completed independently or in a group setting.
  3. Self-study Courses. This type of course is primarily a text-based course, but may include audio, video, computer-based instruction, or any combination of these, in an independent study setting designed in such a manner as to ensure that the course cannot be completed by the typical enrollee in less time than the period for which the course is certified.
- G. COURSE REQUIREMENTS FOR SUCCESSFUL COMPLETION.
1. For classroom courses, providers must use, at a minimum, attendance rosters or attendance forms to certify attendance and completion of a course. Each student must attend at least 90 percent of the course. Providers must establish a means to ensure that each student attended at least 90 percent of the course to receive credit. Attendance records must include, at a minimum, sign-in and sign-out sheets or signed attendance forms, and the legible names, addresses, and TDI license number of each student in attendance.
  2. For classroom equivalent courses, providers must use a method to reasonably authenticate a student's identity and demonstrate participation to determine completion of a course. Methods of demonstrating participation may include, but are not limited to:
    - a. multiple-choice questions at the end of the course that reasonably cover the topics presented;

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- b. the display of unique keys, passwords, or symbols during the presentation that must be provided by the student at the end of a course; or
  - c. technological elements that ensure a student has watched and listened to an entire video and audio recording.
3. For self-study courses, providers must use a written, online, or computer-based examination as a means of completion for the course. Providers are not required to monitor the final examination. Course records for each examination attempt must include, at a minimum, the date the exam was taken, the final examination score, the examination version used, the legible name, address, and the TDI license number of each enrollee. A final examination must meet the following criteria:
- a. Final examination questions may not be the same or substantially the same questions the enrollee previously encountered in the course materials or review exams.
  - b. Security measures must be in place to maintain the security and integrity of the examination and ensure that the enrollee is the individual who took the examination.
  - c. Answers to the examination may not be given to the enrollees at any time before, during, or after the course.
  - d. Examinations must be graded by an authorized staff member.
  - e. Enrollees are allowed to retake an examination if a 70 percent passing score is not achieved. The retest must be an alternate examination consisting of different questions from the original examination.
  - f. Final examinations must consist of three exams which are distributed alternatively to enrollees of the course, and are revised/updated

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every two years by the provider consistent with the course update/revision.

- g. The final examination must be a comprehensive examination of the course and thoroughly test the enrollee's knowledge of the content of the course.
- h. The final examination must consist of questions that do not give or indicate an answer or correct response and are the following types:
  - i. short essay questions requiring a response of five or more words;
  - ii. fill in the blank questions requiring a response from memory and not from an indicated list of potential alternatives; or
  - iii. multiple choice questions stemming from an inquiry with at least four appropriate potential responses and for which "all of the above" or "none of the above," or similar response, is not an appropriate option.
- i. Each final examination must consist of at least 10 questions for each hour of credit. Providers may, at their discretion, have a greater number of final examination questions.
- j. During final examinations, enrollees may use course materials or personal notes, but may not use another person's notes, answers, or otherwise receive assistance in answering the questions from another person.
- k. Enrollees must mail or deliver the completed final examination directly to the provider.

H. PROOF OF COURSE COMPLETION.

- 1. Providers must issue certificates of completion to students who successfully complete a certified course within 30 calendar days of the

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completion of the course if requested by the student. The provider must ensure that the person receiving the certificate is the student who took the course. Only the provider of the course or a third-party vendor of the provider may prepare, print, or complete a certificate of completion. A certificate of completion must include the following:

- a. a statement that the course is for title insurance continuing education;
- b. the provider's name and provider number;
- c. assignee's name and provider number, if applicable;
- d. course name;
- e. total number of approved credit hours and the number of approved ethics credit hours;
- f. date of course completion; and
- g. the TDI license number, if applicable, and name of the student completing the course.

2. The provider must report course completions in electronic format to TDI or the TDI Administrator within 30 calendar days of course completion.

I. CALCULATION OF CREDIT HOURS.

1. For a classroom course or classroom equivalent course, TDI will award up to 10 hours of credit for any one course. TDI will award credit at a rate of one hour for every 50 minutes of actual instruction time. All classroom courses must be at least one hour of credit in length. TDI will award additional partial hours of credit in half-hour increments with all periods of less than 25 minutes awarded no additional credit and periods of less than 50 minutes awarded one half-hour of additional credit. Actual instruction time is considered the amount of time devoted to the actual instruction/reading of the topic, and does not include breaks, meals,

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introductions of speakers, explanatory or preparatory instructions, or evaluations of the course.

2. For a self-study course, TDI will award up to five hours of credit for any one course. A self-study course must be at least one hour of credit, 50 minutes, in length. TDI will award additional partial hours of credit in half-hour increments with all periods of less than 25 minutes awarded no additional credit and periods of less than 50 minutes awarded one half-hour of additional credit. Providers may not use the final examination or pre-tests for determining course hours. The provider must determine the number of credit hours using one of the following methods:
  - a. The average completion time of the individual course completion times of at least five licensees. The licensees used to calculate the average must be randomly selected. If the provider uses this method to determine the number of credit hours, the provider must retain the names, current TDI license numbers, and completion times of all licensees that were used by the provider.
  - b. The average number of hours of the credit hours assigned by all other states in which the course is certified or approved. A provider may not use this method to determine the number of credit hours unless the course is approved in at least three other states. Providers may not include any hours allowed by other states for sales and marketing topics in calculating the average.
3. For applicable State Bar of Texas or State Board of Public Accountancy courses, TDI will award up to 10 credit hours for any one course. The number of awarded credit hours is determined by the number of credit hours approved by the State Bar of Texas or the State Board of Public Accountancy, but only those hours that pertain to title insurance, real

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property, surveys, mortgage lending, ethical conduct, or transfer of land titles. TDI will award ethics credit hours for courses or portions of courses approved by either the State Bar of Texas or the State Board of Public Accountancy for ethics credit. No self-study hours approved by the State Bar of Texas or the State Board of Public Accountancy will be accepted.

4. TDI will award credit hours for the successful completion of accredited college, university, or law school courses. TDI will award eight credit hours per semester hour approved for the course by the college, university, or law school, but only for the portion of those hours which pertain to title insurance, real property, surveys, mortgage lending, ethical conduct, or the transfer of land titles.
5. TDI will award credit hours for licensees who instruct any portion of a certified continuing education course. The number of credit hours awarded is determined by the number of hours of course instruction up to a maximum of the number of credit hours approved for the course, plus an equal number of credit hours is awarded for course preparation. The provider is responsible for reporting the number of hours of course instruction.
6. TDI will not award credit hours for instructing or completing the same continuing education course more than once within the same reporting period.

### **III. CONTINUING EDUCATION COMPLIANCE**

#### **A. APPLICABILITY AND REQUIRED CREDIT HOURS.**

1. Licensees must complete 10 credit hours of continuing education for each reporting period, unless otherwise exempt. Of the 10 required credit hours, licensees must earn at least two ethics credit hours. Credit hours

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may only be applied to a single reporting period and excess hours may not be carried forward to the next reporting period.

2. The reporting period is from the license issue date or last renewal date to the license expiration date.
3. New licensees with initial reporting periods of less than 24 months must complete a prorated amount of continuing education credit hours as follows:

<b>LICENSE PERIOD</b>	<b>TOTAL REQUIRED HOURS</b>	<b>ETHICS</b>
Less than 6 months	0	0
6 months up to and including 7 months	2	2
8 months up to and including 9 months	3	2
10 months up to and including 11 months	4	2
12 months up to and including 14 months	5	2
15 months up to and including 16 months	6	2
17 months up to and including 19 months	7	2
20 months up to and including 21 months	8	2
22 months up to and including 23 months	9	2
(INCREMENTS ARE IN FULL MONTHS - DO NOT COUNT PARTIAL MONTHS)		

4. If a licensee is unable to attend classroom or classroom equivalent courses with reasonable convenience due to the remote location of the licensee's residence or business, the licensee may complete up to 50 percent of the required continuing education credit hours through self-study courses.

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5. Licensees must complete at least 50 percent of their required continuing education credit hours in classroom or classroom equivalent courses, regardless of any other license type held by the licensee.
- B. CONTINUING EDUCATION EXEMPTIONS AND EXTENSIONS.
1. Licensees who meet the criteria of illness, medical disability, or circumstances beyond the control of the licensee may apply for an extension of time for the licensee to comply with the continuing education requirements or an exemption from all or part of the requirements. Business reasons do not constitute circumstances beyond the control of the licensee. TDI will establish the duration of an extension when it is granted. If the circumstances supporting an extension continue beyond the granted extension period, the licensee may reapply for an exemption or extension. The licensee's application must include the following:
    - a. a written statement of the exact nature of the illness, medical disability, or other extenuating circumstances beyond the control of the licensee that have prevented or will prevent the licensee from completing the required hours within the reporting period;
    - b. evidence regarding the illness, medical disability, or circumstances beyond the control of the licensee;
    - c. a written assessment of whether the condition is temporary or permanent, or if it is unknown whether the condition is temporary or permanent;
    - d. a written statement as to whether the licensee will be able to perform activities including any acts of a title insurance agent or escrow officer during the exemption or extension period being requested;
    - e. the estimated date when the licensee will be able to perform any activities including any acts of a title insurance agent or escrow

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officer in accordance with the medical reports or other documents pertaining to circumstances beyond the control of the licensee; and

f. any other information that may be of assistance in evaluating the request.

2. A military service member, military veteran, or military spouse, as defined by Texas Occupations Code §55.001, may apply under 28 Texas Administrative Code §19.803 for, and be granted, an extension to or exemption from the continuing education requirements of Procedural Rule P-28.III.A.

C. EVIDENCE OF COMPLIANCE.

1. If a course completion is not reported to TDI by the provider and reflected in TDI's records, licensees must maintain evidence that the licensee completed the course for a period of at least four years from the date of course completion for purposes of investigation or audit and must continue to maintain evidence of compliance during any period in which the licensee has been notified by TDI or the TDI Administrator that the records or the licensee's compliance is the subject of an investigation or audit. Evidence of licensee compliance is subject to the review of TDI at any time.
2. Evidence of course completion may include a certificate of completion from a provider or a transcript from a college, university, or law school.
3. Providers must maintain all continuing education records, course certification records, attendance records, and course materials, including final examinations, for a period of at least four years. TDI or the TDI Administrator may review these records at any time. Providers must notify TDI if there is a change to the provider's information of record.

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4. At the request of TDI or the TDI Administrator, providers must furnish course completion information in an acceptable electronic format to TDI or the TDI Administrator.
  5. TDI or the TDI Administrator may conduct audits of any certified course or provider without prior notice to the provider. Staff from TDI or the TDI Administrator may attend courses without identifying themselves as employees or representatives of TDI. If compliance records are audited or reviewed and the validity or completeness of the records are questioned, the provider is allowed 30 calendar days from the date of notice to correct discrepancies or submit new documentation.
  6. TDI will rely on provider submitted course completion records for determining and publishing continuing education compliance. A licensee must inform TDI of any inaccuracy in the licensee's compliance record.
- D. FAILURE TO COMPLY.
1. A licensee's failure to comply with the requirements of Procedural Rule P-28 in the absence of a valid exemption or extension, or falsification of records of compliance by the licensee, may subject the licensee to disciplinary action after notice and hearing. Disciplinary action may include a fine, suspension, revocation, or cancellation of a license in accordance with Texas Insurance Code Chapter 82, and any other applicable laws or statutes.
  2. A provider's failure to comply with the requirements of Procedural Rule P-28, or falsification of records of compliance by the provider, may subject the courses of the provider to be removed from the list of certified courses. A provider may also be subject to disciplinary action after notice and hearing. Disciplinary action may include a fine, suspension, or revocation

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of the provider's registration in accordance with Texas Insurance Code Chapter 82, and any other applicable laws or statutes.

3. If a licensee does not meet the licensee's continuing education requirements by the 90th day after the licensing renewal date, the licensee's license is not eligible for renewal.

**IV. PROFESSIONAL TRAINING PROGRAM FOR MANAGEMENT PERSONNEL**

**A. MANAGEMENT PERSONNEL REQUIREMENTS.**

1. Except as provided in Procedural Rule P-28.IV.A.2 below, title insurance agent and direct operation management personnel must complete a professional training course that meets the requirements of Procedural Rule P-28.IV.B within 12 months immediately preceding the date of filing of the title insurance agent or direct operation license application.
2. An individual is exempt from the professional training requirements of Procedural Rule P-28.IV.A, if the individual has held in Texas for at least five years a position as management personnel with a title insurance agent, direct operation, or a comparable position.
3. Management personnel who are not exempt under the provisions of Procedural P-28.IV.A.2 must submit a provider-issued certificate of completion demonstrating compliance with Procedural Rule P-28.IV.A.1 with their license application.
4. Management personnel who are not exempt under the provisions of Procedural Rule P-28.IV.A.2 must maintain proof of completion of a professional training course for a period of four years from the date of completion of the course. On request, management personnel must provide proof of completion of the professional training course to TDI or the TDI Administrator.

**B. PROVIDER AND COURSE REQUIREMENTS.**

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1. Providers of professional training courses must comply with the registration requirements under Procedural Rule P-28.II.A before offering a professional training course for management personnel.
2. The provider must comply with the course certification requirements in Procedural Rule P-28.II.B.
3. A professional training course must be at least eight hours in length.
4. A professional training course must cover the following subjects:
  - a. the basic principles and coverages related to title insurance;
  - b. recent and prospective changes in those principles and coverages;
  - c. applicable rules and laws;
  - d. proper conduct, including ethical conduct, of the licensee's title insurance business;
  - e. accounting principles and practices and financial responsibilities and practices relevant to title insurance; and
  - f. the duties and responsibilities of a title insurance agent or direct operation.
5. Providers of professional training courses may assign courses under Procedural Rule P-28.II.C.
6. Providers of professional training courses must comply with Procedural Rules P-28.II.E and G.
7. Providers of professional training courses must issue certificates of completion to all students in compliance with Procedural Rule P-28.II.H.1, except the certificate of completion must include a statement that the course is for professional training for title insurance agent or direct operation management personnel.
8. Professional training course credit hours will be calculated under Procedural Rule P-28.I.