Title Chat Volume 72 April/May 2010



ALTA MODIFIES SOME POLICY FORMS AND ENDORSEMENTS AND CREATES ANOTHER ENDORSEMENT FORM

Effective February 3, 2010 the American Land Title Association amended the following forms:

<u>Homeowner's policy:</u> A new exclusion from coverage has been added excluding coverage as to the transfer of title to the insured being invalid as a preferential or fraudulent transfer under federal bankruptcy or state insolvency or creditors' rights laws. Also added are several provisions relating to estate planning, including an additional provision to the Continuation of Coverage Section to include one who receives title to the land by transfer that is effective upon the insured's death.

<u>Expanded Coverage Residential Loan policy:</u> An exclusion from coverage has also been added to this policy similar to the exclusion added to the Homeowner's Policy regarding creditors' rights.

<u>Endorsements 4-06 and 5-06 (Condominium and PUD):</u> The provision in each endorsement addressing the priority of a lien for charges and assessments over the lien of the insured mortgage has been amended to provide that the coverage relates to any such lien regardless of when it is recorded. The earlier version limited the coverage to any lien for charges or assessment before date of policy.

<u>Endorsements 10-06 and 10.1-06:</u> A creditors' rights exception has been placed in each endorsement.

Endorsement 28-06 (Easement-Damage or Enforced Removal): Slightly modified.

<u>Endorsements 29-06 and 29.1-06 (Interest Rate Swaps):</u> A new endorsement for commercial transactions where the mortgage to be insured contains provisions relating to interest rate swaps.

<u>Endorsement 21-06 Creditors' Rights):</u> ALTA has withdrawn its certification of this endorsement. You can expect that the endorsement will no longer be available.