



Vermont Attorneys Title Corporation

*Presents*

# Online Training Series

## POLICY COMMITMENTS

### Review and Preparation

For audio, listen via web or  
dial the number below:

Toll-Free: 1-800-501-8979

Access Code: 2570606

*Presenter:*

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Vermont Attorneys Title Corporation

# TECH STUFF

- ◉ If listening via the phone, please keep it on mute unless asking a question;
- ◉ Submit questions in writing using the Q & A feature at the top of your screen or you may ask them over the phone if dialing in;
- ◉ Handouts may be download and printed by clicking the Handouts button (see below)



# OVERVIEW

- A title insurance commitment is the underwriter's guarantee to the bank/property buyer that the property/new loan will be insured **AFTER** certain things (**REQUIREMENTS**) have been done:
  - New loan recorded
  - New deed recorded
  - Old mortgage paid off
  - Taxes, liens, etc. are paid off
- A commitment shows how title looks as of date of title search (before new loan and/or property transfer to new owner).

# OVERVIEW, CONTINUED

- A Commitment is made up of five parts:
  - Schedule A (multiple properties? See Inserts slide)
  - Pre-printed Schedule B, Requirements & Exceptions
  - Schedule B, Requirements
  - Schedule B, Exceptions
  - Schedule C (Property Description)

# SCHEDULE A

## Who, What, Where, How Much

1. Effective Date of Commitment = Date the title search was completed (date of title opinion);
2. Policy/Policies to be issued:
  - Loan and/or Owner;
  - Standard or Expanded Coverage;
  - Policy Coverage amounts are indicated;
3. Is the interest in the property **Fee Simple** or a **Leasehold Estate**? Basic residential transactions will be Fee Simple;
4. Name(s) of the vested parties = Names of CURRENT owners
5. Street Address

# SCHEDULE A, CONTINUED

- Is property in more than one town?
  - Schedule A will contain the physical address of property;
  - Schedule B, Exceptions should contain recording information for both towns;
  - Schedule C should also refer to recording information in both towns.

# SCHEDULE B, REQUIREMENTS

- List all matters that must be satisfied prior to the issuance of a final policy:
  - Real estate taxes must be paid in full;
  - A duly executed and recorded deed from \_\_\_\_ (seller) to \_\_\_\_ (buyer).
  - A duly executed and recorded mortgage from \_\_\_\_ (borrower) to \_\_\_\_ (lender).
  - A duly executed and recorded discharge of mortgage dated \_\_\_\_ (list each mortgage separately)
  - A duly executed and recorded discharge of lien...

# SCHEDULE B, EXCEPTIONS

- List all matters that burden the property, including existing mortgages. \*No need to list permits unless there is a violation of record:
  - Subject to a utility easement from \_\_\_\_\_ to Green Mountain Power Company dated August 13, 1984 and recorded August 16, 1984 in Book 333, Page 11 of the Arlington Land Records.
  - Matters depicted and notes described on a survey map entitled “Portion of Fogg Property” by Wayne D. Richmond, P.E. dated...

# SCHEDULE B, EXCEPTIONS CONTINUED

- If an easement both burdens and benefits the property, it should be listed on both Schedule B and in Schedule C.
- If it is unclear whether an easement burdens or benefits the property, list it in B and C. For example, this is how it would appear in Schedule B:
  - Rights of others, if any, to a water easement dated August 13, 1984 and recorded August 16, 1984 in Book 333, Page 11 of the Arlington Land Records.

# SCHEDULE C

- ◉ Schedule C contains the property description. In the Commitment, it should appear as it did in the last deed into the property.
- ◉ Always include an affirmative citation to easements that benefit the property. (i.e. “Property is benefitted by...”)
- ◉ Include a standard sentence or “catch-all” phrase to incorporate beneficial easements that are inadvertently left out. For example,

“Reference is hereby made to the foregoing documents and the reference contained therein in further aid of this description.”

# INSERTS

Use inserts if there are *multiple properties* and *one policy*;

- ◉ After completing Schedule A with 1<sup>st</sup> property, each additional property gets its own insert;
- ◉ Each insert also has its own Schedule B, Exceptions;
- ◉ Use only one Schedule C, listing each parcel's description in a new paragraph.

# REMINDERS

- ◉ Please update title no more than three days prior to closing;
- ◉ Post-closing updates must be done prior to issuing final policy (within 30 days of closing);
- ◉ Provide a copy of PC to buyer of owner's title insurance.
- ◉ If using VATC's update service, send us a check for \$25.00 with the PC. Otherwise, we do not require that you send PC's to us.

# THANK YOU !

Have a suggestion for a future online training topic?

Want to hear it again? Archive with handouts is available on VATC's website.

Your feedback is very important. Please let me know what can be improved for future online training sessions. Feel free to email me directly at [jblomback@caticaccess.com](mailto:jblomback@caticaccess.com).