

ITEM 2023-1
RATE RULE R-11

CITATION

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

R-11. Loan Policy Endorsements

Applicable only as provided in Procedural Rule P-9.

- A. Assignment of Mortgage Endorsement (Form T-3, Endorsement Instruction III):
 - 1. If issued within twelve months after the date of the policy, the premium is the minimum Basic Premium Rate.
 - 2. If issued more than twelve months after the date of the policy, the premium is the minimum Basic Premium Rate plus \$100.00 for each additional full or partial twelve-month period.
 - 3. However, the maximum premium collected must not be more than 50% of the premium for the loan policy amount based on the current Schedule of Basic Premium Rates.

- B. Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement, or Release from Personal Liability Endorsement (Form T-38):
 - 1. If issued within twelve months after the date of the policy, the premium is the minimum Basic Premium Rate.
 - 2. If issued more than twelve months after the date of the policy, the premium is the minimum Basic Premium Rate plus \$25.00 for each additional full or partial twelve-month period.
 - 3. However, the maximum premium collected must not be more than 50% of the premium for the loan policy amount based on the

current Schedule of Basic Premium Rates.

- C. Down Date Endorsement (Form T-3, Endorsement Instruction V or VII):
 - 1. If the land in the policy is Residential Real Property, the premium is \$50.00.
 - 2. If the land in the policy is not Residential Real Property, the premium is \$100.00.

- D. Variable Rate Mortgage Endorsement (Form T-33) and Variable Rate Mortgage - Negative Amortization Endorsement (Form T-33.1):
 - 1. The premium for the Variable Rate Mortgage Endorsement (Form T-33) is \$20.00.
 - 2. The premium for the Variable Rate Mortgage-Negative Amortization Endorsement (Form T-33.1) is:
 - a. \$20.00; or
 - b. \$0.00 if an additional premium is charged for the Loan Policy because of an increased policy amount.

- E. Manufactured Housing Endorsement (Form T-31) and Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1):
 - 1. The premium for the Manufactured Housing Endorsement (Form T-31) is \$20.00
 - 2. The premium for the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) is \$50.00.

- F. The premium for the Revolving Credit Endorsement (Form T-35) is \$50.00.

- G. The premium for the Environmental Protection Lien Endorsement (T-36) is \$25.00.

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

1. When issued at the time the policy is issued, the premium is 25.00.
 2. When issued after the date of the policy, the premium is \$50.00.
- I. The premium for the First Loss Endorsement (Form T-14) is \$25.00.
 - J. The premium for the Loan Policy Aggregation Endorsement (Form T-16) is \$25.00.
 - K. Planned Unit Development Endorsement (Form T-17):
 1. The premium is \$25.00.
 2. However, when multiple Planned Unit Development Endorsements (Form T-17) are issued simultaneously on multiple Loan Policies covering the same land, the premium for the first endorsement is \$25.00 and the premium for additional endorsements is \$0.00.
 - L. The premium for the Condominium Endorsement (Form T-28) is \$0.00.

ITEM 2023-2
RATE RULE R -15.b

CITATION

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

R-15. Owner's Policy Endorsements -

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

- b. **Increase in Coverage During Construction (Form T-3, Endorsement Instruction VIII)**
 - 1. If the land in the policy is Residential Real Property, the premium is \$50.00.
 - 2. If the land in the policy is not Residential Real Property, the premium is \$100.00.

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

ITEM 2023-3
RATE RULE R-30

CITATION

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

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

The premium for the Access Endorsement (T-23) is \$100 for each endorsement.

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

CITATION

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

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

BLANK TITLE INSURANCE COMPANY

TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE

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

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

**TABLE OF CONTENTS
(no change)**

OWNER'S COVERAGE STATEMENT

(no change)

SCHEDULE A

(no change)

SCHEDULE B

EXCEPTIONS

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

1. (no change)
2. (no change)
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured.
4. (no change)
5. (no change)
6. (no change)

EXCLUSIONS

(no change)

CONDITIONS

(no change)

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

CITATION

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

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

ATTACHED TO POLICY NO. _____

Issued By

BLANK TITLE INSURANCE COMPANY

File Number: _____

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

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

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

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

a. \$ _____ ; or

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

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

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

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

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.
 - (i) To pay or tender payment of the lesser of the value of the Title as insured or the Aggregate Amount of Insurance applicable under this policy at the date the claim was made by the Insured Claimant, or to purchase the Indebtedness, together with any cost, attorneys' fees, and any costs and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay;
 - (ii) To pay or tender payment of the lesser of the value of the Title as insured at the date the claim was made by the Insured Claimant, or the Aggregate Amount of Insurance applicable under this policy, together with any cost, attorneys' fees, and any costs and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

- (iii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of any of the options provided for in Section 7(a) all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

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

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of:
 - (i) the Aggregate Amount of Insurance for the State where the Land is located,
 - (ii) the Indebtedness,
 - (iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy, or
 - (iv) if a government agency or instrumentality is the

Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.

- (b) If the Company pursues its rights under Section 3 or Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured, the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

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

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the applicable Aggregate Amount of Insurance by the amount of the payment.
- (b) If this policy insures the Title to Land located in a state identified in Section 3. b. of this endorsement:
 - (i) all payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Aggregate Amount of Insurance by the amount of the payment; but
 - (ii) a payment made for loss or damage on Land insured in one of the policies identified in Section 1 on Land located outside this state shall not reduce the Aggregate Amount of Insurance in Section 3.b. of this endorsement until the Aggregate Amount of Insurance in Section 3.a. is reduced below the Aggregate Amount of Insurance in Section 3.b .
- (c) However, any payments made prior to the acquisition of

Title as provided in Section 2 of these Conditions shall not reduce the Aggregate Amount of Insurance afforded under this endorsement except to the extent that the payments reduce the Indebtedness.

- (d) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company under this policy, except as provided in Section 2 of these Conditions, but it will not reduce the Aggregate Amount of Insurance for the other policies identified in Section 1 of this endorsement.

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

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

Date: _____

By: _____

Authorized Countersignature

ITEM 2023-6
FORM T-19

CITATION

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

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

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

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

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

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

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

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

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

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

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

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

ENDORSEMENT

Attached to Policy No. _____

Issued By

BLANK TITLE INSURANCE COMPANY

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

identifies the violation;

- c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
 - d. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured's Title.
4. The Company insures against loss or damage sustained by reason of:
- a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy
- unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.;
or
- b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
 - c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - d. Damage to Improvements located on the Land on or after Date of Policy, resulting from the future exercise of any

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

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

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

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____

Authorized Signatory

FORM T-19.2: Minerals and Surface Damage Endorsement

Minerals and Surface Damage Endorsement (T-19.2)

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

Issued by:

_____ TITLE INSURANCE COMPANY

Herein called the Company

The Company insures the insured against loss which the insured shall sustain by reason of damage to improvements (excluding crops, landscaping, lawn, shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, or excepted in Schedule B.

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

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

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

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____

Authorized signatory

FORM T-19.3: Minerals and Surface Damage Endorsement

Minerals and Surface Damage Endorsement (T-19.3)

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

Issued by:

_____ TITLE INSURANCE COMPANY

Herein called the Company

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, or excepted in Schedule B.

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

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

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

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____

Authorized signatory

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

CITATION

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

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

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

...

COVERED RISKS

...

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

- (a) No Change
- (b) No Change
- (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land. [This coverage is deleted by Schedule B. Exceptions From Coverage. Paragraph 2, unless a survey of the Land acceptable to Company is timely provided and the applicable premium is paid to amend the exception to "shortages in area."]
- (d) No Change

...

EXCLUSIONS FROM COVERAGE

No Change

SCHEDULE A

No Change

SCHEDULE B

...

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

...

CONDITIONS

No Change

LOAN POLICY OF TITLE INSURANCE (Form T-2)

...

COVERED RISKS

No Change

EXCLUSIONS FROM COVERAGE

No Change

SCHEDULE A

No Change

SCHEDULE B

...

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

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

...

CONDITIONS

No Change

ITEM 2023-9
PROCEDURAL RULE P-20.C

CITATION

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

PROCEDURAL RULE P-20: Standard Exception Relating to Taxes

- A. NO CHANGE
- B. NO CHANGE
- C. TAXES NOT YET DUE AND PAYABLE

On a Loan Policy (Form T-2) or Loan Title Policy Binder on Interim Construction Loan (Interim Binder) (Form T-13), a Company may:

1. If satisfied that all taxes, standby fees, and assessments by any taxing unit for the year inserted in the standard tax exception are not yet due and payable, add the following to the form by checking the applicable box or inserting: "Company insures that standby fees, taxes and assessments by any taxing authority are not yet due and payable for the year ____."
2. If satisfied that some, but not all, taxes, standby fees, and assessments for the year inserted in the standard tax exception are not yet due and payable, add the following to the form: "Company insures that standby fees, taxes and assessments by only [insert name of applicable taxing unit or units] are not yet due and payable for the year_____."

ITEM 2023-11
PROCEDURAL RULE P-57.A

CITATION

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

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

A. Acquisition of Interest under Existing Agreement or Estate Planning Vehicle

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

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

 - b. the additional insured is:
 - i. an Estate Planning Vehicle to which the insured conveys the title after Policy Date;

 - ii. a distributee who has acquired an interest according to the terms of an Estate Planning Vehicle;

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

- iv. any partner, member or stockholder that acquires the interests of the other owners of the Insured in accordance with the terms and provisions of a written agreement in effect at Date of Policy.
3. The endorsement must be requested by the additional insured.
4. In the case of paragraphs 2.b.i-iii above,
 - a. the request for the endorsement must be made within 90 days after the document conveying title to the additional insured is recorded; and
 - b. the document conveying title to the additional insured must contain a warranty of title.

Any matter covered in the Additional Insured Endorsement (Form T-26) may be insured only by this endorsement.

B. NO CHANGE

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

CITATION

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

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

T-47 RESIDENTIAL REAL PROPERTY AFFIDAVIT

Date: _____ GF No. _____
Name of Affiant(s): _____
Address of Affiant(s): _____
Description of Property: _____
County: _____, Texas
Date of Survey: _____

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

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

1. I am an owner of the Property. (Or state other basis for knowledge by Affiant of the Property, such as lease, management, neighbor, etc. For example, "Affiant is the manager of the Property for the record title owners.")
2. I am familiar with the property and the improvements located on the Property.
3. I am closing a transaction requiring title insurance and the proposed insured owner or lender has requested area and boundary coverage in

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

4. To the best of my actual knowledge and belief, since Date of the Survey, there have been no:
 - a. construction projects such as new structures, additional buildings, rooms, garages, swimming pools, deckings, or other permanent improvements or fixtures;
 - b. changes in the location of boundary fences or boundary walls;
 - c. construction projects on immediately adjoining property(ies) which construction occurred on or near the boundary of the Property;
 - d. conveyances, replattings, easement grants and/or easement dedications (such as a utility line) by any party affecting the Property.

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

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

6. I understand that I have no liability to Title Company should the information in this Affidavit be incorrect other than information that I personally know to be incorrect and which I do not disclose to the Title Company.

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

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

Notary Public

**T-47.1 RESIDENTIAL REAL PROPERTY DECLARATION
IN LIEU OF AFFIDAVIT
(Provided in accordance with Texas Civil Practice and Remedies
Code Section 132.001)**

Date: _____

GF No. _____

Declarant: _____

Description of Property: _____

County _____, Texas

Date of Survey: _____

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

The undersigned declares as follows:

1. I am an owner of the Property. (Or state other basis for knowledge of the Property, such as lease, management, neighbor, etc. For example, "Declarant is the manager of the Property for the record title owners.")
2. I am familiar with the property and the improvements located on the Property.
3. I am closing a transaction requiring title insurance and the proposed insured owner or lender has requested area and boundary coverage in the title insurance policy(ies) to be issued in this transaction. I understand that the Title Company may make exceptions to the coverage of the title insurance as Title Company may deem appropriate. I understand that the owner of the property, if the current transaction is a sale, may request a similar amendment to the area and boundary coverage in the Owner's Policy of Title Insurance upon payment of the promulgated premium.
4. To the best of my actual knowledge and belief, since the Date of the Survey, there have been no:
 - a. construction projects such as new structures, additional buildings, rooms,

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

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

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

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

My name is _____.
My date of birth is _____,
and my address is _____
_____.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County,
State of _____, on the
____ day of _____, _____.

Signed:

Declarant

My name is _____.
My date of birth is _____,
and my address is _____
_____.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County,
State of _____, on the
____ day of _____, _____.

Signed:

Declarant

P-2. Amendment of Exception to Area and Boundaries

...

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

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

CITATION

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

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

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

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

...

b. Loan Policy Owner's Policy

...

- (8) Revolving Credit Endorsement – Upon request, a Company may issue the Revolving Credit Endorsement (Form T-35) when:
 - a. a Loan Policy insures the validity and priority of a lien created by a mortgage or deed of trust securing a revolving credit promissory note or similar indebtedness where:
 - i. a line of credit of a specific amount is extended to a borrower for the term of indebtedness,
 - ii. the amount of indebtedness outstanding at any time may fluctuate up or down from time to time over the term of the indebtedness due to future disbursements or future repayments of loan proceeds (which disbursements and repayments are contemplated by the parties at the time the indebtedness is created), and

- iii. repayments by the borrower neither reduce nor increase the original line of credit extended nor affect the borrower's liability to repay the principal sum of all outstanding disbursements plus all accrued interest;
- b. the mortgage or deed of trust creating the lien to be insured discloses to the satisfaction of the Company that the indebtedness secured is a revolving type of indebtedness as set forth above; and
- c. the Loan Policy does not include the cost of immediately contemplated improvements or contain exceptions required under Procedural Rule P-8.

...

R-11. Loan Policy Endorsements

Applicable only as provided in Procedural Rule P-9.

...

F. Revolving Credit Endorsement—The premium for the Revolving Credit Endorsement (Form T-35) is \$50.00.

...

REVOLVING CREDIT ENDORSEMENT (T-35)

ISSUED BY

...

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

CITATION

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

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

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

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

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

Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED COMPANY

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

This endorsement does not insure against loss resulting from:

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

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

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____
Authorized signatory

RATE RULE R-29.2

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

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

P-50.2

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

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

ITEM 2023-21
MINIMUM ESCROW ACCOUNTING PROCEDURES AND INTERNAL CONTROLS

CITATION

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

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

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

ITEM 2023-22
Form PC150, Exhibit A

CITATION

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

EXHIBIT A
INDEPENDENT AUDITOR'S REPORT

To: _____

Opinion

We have audited the accompanying schedule of Statement of Assets and Liabilities of Trust (Escrow) Fund Accounts of _____ as of _____, and the related notes.

In our opinion, the schedule of the Statement of Assets and Liabilities of Trust (Escrow) Fund Accounts referred to above presents fairly, in all material respects, the assets and liabilities of _____ as of _____, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Institution

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the

schedule that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Information

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order

to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of _____'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt period of time.

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

[Firm's Signature]

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

[Report Date]

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

CITATION

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

POLICY OF TITLE INSURANCE (USA)

ISSUED BY
_____ TITLE INSURANCE COMPANY

Policy Number _____ Amount \$ _____

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

THE UNITED STATES OF AMERICA

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

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

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

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

Countersigned:

_____ Title Insurance Company

By _____

President

By _____

Secretary

SCHEDULE A

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

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

SCHEDULE B

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

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

The write-up could be substantially as follows:

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

**GENERAL EXCEPTIONS
Governmental Powers**

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

Matters Not of Record

2. The following matters which are not of record at the date of this policy are not insured against:
 - (a) rights or claims of parties in possession not shown of record;
 - (b) questions of survey;
 - (c) easements, claims of easement or mechanics' liens where no notice thereof appears of record; and
 - (d) conveyances, agreements, defects, liens or encumbrances, if any, where no notice thereof appears of record; provided, however, the provisions of this subparagraph 2(d) shall not apply if title to said estate or interest is vested in the United States of America on the date hereof.

Matters Subsequent to Date of Policy

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

Refusal to Purchase

4. This policy does not insure against loss or damage by reason of the refusal of any

person to purchase, lease or lend money on the property, estate or interest described in Schedule A.

Creditors' Rights

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

CONDITIONS AND STIPULATIONS

Notice of Actions.

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

Notices of Writs.

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

Defense of Claims.

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

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

Compromise of Adverse Claims.

4. Any compromise, settlement or discharge by the United States or its duly

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

Statement of Loss.

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

Policy Reduced by Payments of Loss.

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

Amendment of Policy.

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

Notices, Where Sent.

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

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

CITATION

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

TEXAS TITLE INSURANCE AGENT'S MINIMUM CAPITALIZATION BOND

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS;

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

The conditions of the above obligations are such that:

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

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

1. This bond shall be effective as of the beginning of the _____ day of _____, 20____, and shall continue until liability hereunder is terminated as provided herein below.

2. The Surety may at any time cancel this bond by giving sixty (60) days' written notice to the Texas Department of Insurance by certified mail at the following address: Texas Department of Insurance, Title Licensing, P.O. Box 12030 MC: CO-TL, Austin, Texas 78711-2030; or by email to TDI-TitleLicensing@tdi.texas.gov. The Surety, however, remains liable for any obligations under this bond committed prior to the expiration of such sixty (60) day period.

3. In no event shall the aggregate liability of the Surety under this bond exceed the penal sum of this bond.

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

Principal

By: _____

Address: _____

Surety

By: _____

Address: _____

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

CITATION

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

Title insurance licensing biographical information

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

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

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

Name of the title insurance agent or direct operation _____

TDI license number (if they have one) _____

Firm ID number (if they have one) _____

Federal tax identification number _____

► Tell us about yourself:

Section 1: Questions about name, address, and position

Name _____

First name

Middle name

Last name

Suffix

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

Email _____

Home physical address

Street address or route _____

City _____ State _____ Zip _____

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

(check all that apply)

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

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

If yes:

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

 If no:

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

Section 2: Questions about legal offenses

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

1. Do you have pending misdemeanor or felony charges (by indictment, information, or any other instrument)? 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? _____

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

► Sign here:

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

Signature of person filling out this form

Date

► Declaration:

My name is _____, my date of birth is _____,

and my address is: _____.

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

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

Executed in _____ County, State of _____,

on _____.

Date

Declarant's Signature

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

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

Overnight mail or in person:

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

Email: TDI-TitleLicensing@tdi.texas.gov

► Contact us if you have questions:

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

► Know your rights:

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

Email: OpenRecords@tdi.texas.gov

Fax: 512-490-1021

In person: 1601 Congress Ave.

Austin, Texas 78701

Mail: Texas Department of Insurance

Public Information Coordinator

PO Box 12030, MC: GC-ORO

Austin, Texas 78711-2030

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

Escrow officer appointment

Use this form to:

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

► Answer the following questions:

Title insurance agent or direct operation

Name _____

TDI license number _____


Firm ID number _____

Escrow officer

Name _____
 First Middle Last Suffix

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

► Fill out this section to appoint an escrow officer

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

Employment status

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

Name of attorney _____

TDI license number _____

Escrow officer bond or deposit. Choose only one.

Surety bond

Bonding company name _____

Bond number _____

Bond amount \$ _____

Letter of credit

Bank name of issuance _____

Letter number _____

Credit amount \$ _____

Cash deposit

Depository institution _____

Cash deposit receipt number _____

Deposit amount \$ _____

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

The escrow officer's appointment will end on _____
Date

► **Sign here:**

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

Appointing official's signature Date

► **Declaration:**

My name is _____, my date of birth is _____, and my address is:

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

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

Executed in _____ County, State of _____

on _____.
Date

Declarant's Signature

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

Mail:

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

Overnight mail or in person:

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

Email:

TDI-TitleLicensing@tdi.texas.gov

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

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

► **Know your rights:**

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

Title Insurance Agent or Direct Operation Appointment

Use this form to:

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

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

► Answer the following questions:

Title insurance company

Company name _____

Company TDI license number _____

Title insurance agent or direct operation (if applicable)

Name _____

TDI license number (if they have one) _____

Firm ID number (if they have one) _____

The contact for this form

Contact name _____

Contact email _____

Contact phone number _____

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

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

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

_____	_____	_____
_____	_____	_____

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

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

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

_____	_____	_____
_____	_____	_____

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

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

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

_____	_____	_____
_____	_____	_____

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

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

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

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

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

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

and

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

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

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

► **Sign here:**

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

Contact's signature

Date

► **Declaration:**

My name is _____, my date of birth is

_____, and my address is:

_____.

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

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

Executed in _____ County, State of _____,

on _____.

Date

Declarant's Signature

► **Return this form and any attachments**

Mail:

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

Email:

TDI-TitleLicensing@tdi.texas.gov

► **Questions?**

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

► **Your rights:**

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

Title insurance agent or direct operation change request form

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

TDI license number _____

Firm ID number _____

Name as listed on the license _____

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

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

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

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

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

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

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

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

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

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

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

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

Mailing address

Street address, route, or PO Box _____

City _____ State _____ ZIP _____

Physical address

Street address, physical location, or route _____

City _____ State _____ ZIP _____

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

Contact name _____

Contact phone number (include area code) _____

Contact email _____

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

New name of license holder _____

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

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

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

New assumed name of license holder _____

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

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

Assumed name that is no longer used _____

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

▶ **Sign here:**

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

Representative's signature

Date

▶ **Declaration:**

My name is _____, my date of birth is

_____, and my address is:

_____.

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

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

Executed in _____ County, State of _____,

on _____.

Date

Declarant's Signature

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

Email: TDI-TitleLicensing@tdi.texas.gov

Mail:

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

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

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

► **Know your rights:**

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

Application for title insurance agent or direct operation license

► Answer the following:

Applicant name _____

Federal Tax Identification number _____

Mailing address

Street address, route, or PO Box _____

City _____ State _____ ZIP _____

Physical address

Street address, physical location, or route _____

City _____ State _____ ZIP _____

Applicant is organized as: (check one)

Sole proprietor

Partnership

Entity

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

Title insurance agent

Direct operation

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

Accounting firm name _____

Accounting firm address _____

Accounting firm phone _____

The contact for this form is:

Contact name _____

Contact phone number (include area code) _____

Contact email _____

► Along with this form, send the following:

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

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

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

- Escrow officer appointment (Form FINT09), unless the sole proprietor or a partner will perform the duties of an escrow officer for the applicant.
- Title insurance licensing biographical information (Form FINT08) for the following:
 - For a sole proprietorship, the sole proprietor and each designated on-site manager.
 - For a partnership, each designated on-site manager and partner who is in control.
 - For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
 - Each controlling person of an entity or partnership who is in control of the entity or partnership applicant.
- Organizational chart that includes names and position titles for the applicant, each person that controls the applicant, and each person that controls an entity who is in control of the entity or partnership applicant.
 - The owners, shareholders, members, or partners and their percentage of ownership must be included with the organizational chart.
- Audited, reviewed, or compiled financial statement of the applicant: (1) prepared by an independent CPA, and (2) covering a period that ended no more than 60 days ago.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for the title insurance agent or direct operation. The amount must be the greater of: (1) \$10,000, or (2) an amount equal to 10 percent of the gross premium written by the title insurance agent or direct operation according to the latest statistical report sent to the Texas Department of Insurance, but not to exceed \$100,000.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for escrow officers. The amount of the bond or deposit, up to a maximum of \$50,000, is determined by multiplying the number of escrow officers employed by the title insurance agent or direct operation by:
 - \$5,000 for an application for each escrow officer who is a Texas resident (bona fide).
 - and
 - \$10,000 for an application for each escrow officer who is a resident (bona fide) of a state next to Texas.
- Title insurance agent's unencumbered assets certification (Form T-S1) and proof showing how the applicant meets the minimum capitalization requirements (<http://www.tdi.texas.gov/title/titem6s1.html>).

Send the following, if applicable:

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

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

► Sign here:

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

Signature of the applicant’s representative

Date

► Declaration:

My name is _____, my date of birth is

_____, and my address is:

_____.

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

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

Executed in _____ County, State of _____,

on _____.

Date

Declarant’s Signature

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

Email: TDI-TitleLicensing@tdi.texas.gov

Mail:

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

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

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

► **Know your rights:**

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

ITEM 2023-26
TEXAS TITLE INSURANCE STATISTICAL PLAN

CITATION

28 TAC § 9.401 Texas Title Insurance Statistical Plan.

Texas Title Insurance Statistical Plan

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INTRODUCTION

The Texas Title Insurance Statistical Plan consists of six reporting schedules:

- Schedule S-1: A Transaction Report, which summarizes the revenues generated by each type of policy.
- Schedule S-2: A Reconciliation Report, which compares the revenues reported through the Statistical Plan with those reported through the Texas Title Insurance Income Exhibit.
- Schedule S-3: A Liability Distribution Report, which presents the distribution of numbers of policies written and total revenue raised according to the liability assumed in the underlying transaction.
- Schedule S-4: An Endorsement Report, which summarizes the revenues generated through each endorsement.
- Schedule S-5: A Special Charges and Credits Report, which gives an overview of the revenue impact of each special charge or credit.
- Schedule S-6: A Co-Insurance Report, which lists, for each risk co-insured by the reporting company, the transaction code, the name of each co-insuring company, the policy number of each co-insuring company, the liability assumed by each co-insuring company and the total liability assumed by all co-insuring companies.

To complete these reporting schedules, underwriting companies will maintain a Basic Statistical Record (BSR) for each Texas transaction, and will develop procedures for summarization of the BSR's according to the formats of Schedules S-1 through S-6.

The data items included in a BSR are set forth in Table 1. Standard Texas codes for Transaction Type (BSR data item #4), Special Charge and Credit Types (BSR item #8), Endorsement Types (BSR item #10), and County of Property (BSR item #14) are presented in Tables 2 through 7. Numbers in square brackets ([]) on the Reporting Schedules refer to BSR data item #'s.

Co-insurance transactions included on schedules S-1 through S-5 should reflect the experience of the reporting company only. A co-insurance policy is considered one transaction.

SCHEDULE S-2 Reconciliation Report

Company _

Experience Period _

1.	Gross Revenue per Statistical Plan ([7] + [9] + [11])	
2.	Adjustments (itemize)	
3.	Gross Revenue per Texas Title Insurance Income Exhibit (sum of line 7 column G and line 20, columns A, B, and D)	

SCHEDULE S-3 Liability Distribution Report

Company _

Experience Period _

Note: Prepare a separate sheet for each transaction type and one sheet for all transaction types combined.

Transaction Type _

Liability Range (\$000) [5]		Number of Transactions	Gross Revenue Excluding Special Charges, Credits, and Endorsements [7]
More Than	But No More Than		
	0		
0 -	4.5		
4.5 -	10		
10 -	20		
20 -	30		
30 -	40		
40 -	50		
50 -	60		
60 -	70		
70 -	80		
80 -	90		
90 -	100		
100 -	200		
200 -	300		
300 -	400		
400 -	500		
500 -	1,000		
1,000 -	2,000		
2,000 -	3,000		
3,000 -	4,000		
4,000 -	5,000		
5,000 -	15,000		
15,000 -	25,000		
25,000 -	50,000		
50,000 -	75,000		
75,000 -	100,000		
Over 100,000			
ALL			

SCHEDULE S-5 Special Charges and Credits Report

Company _

Experience Period _

Special Charge Type [8]	Number of Charges	Revenue Received [9]
TOTAL		

Special Credit Type [8]	Number of Credits	Revenue Foregone [9]
TOTAL		

TABLE 1 Minimum Acceptable Content of Basic Statistical Record

1. Transaction Identifier

For the case of insurance policies, use your internal policy number; for other transactions, use the title order number or any other equivalent notation sufficient to identify this transaction to your files.

2. Date of income recognition

3. Effective Date of Liability

4. Transaction Type

The transaction type designation must contain sufficient information to differentiate among different rates charged. Standard transaction codes for Texas operations are set forth in Table 2 and Standard Personal Property Title Insurance Transaction codes for Texas Operations are set forth in Table 6. Companies electing to use different codes for their internal purposes must convert them to this format for purposes of Statistical Plan reporting.

5. Total Liability

6. Amount of Liability on which rate other than basic rate charged
(e.g., prior indebtedness on mortgage extensions)

7. Gross rate charged **(excluding special charges or credits and endorsements)**

8. Special charge or credit type (repeat as needed)

- The Basic Statistical Record must record each special charge or credit separately. The special charge or credit type designation must contain sufficient information to identify all distinct charge and credit types. Standard codes for Texas operations are set forth in Table 3.
- The Basic Statistical Record must record each policy, endorsement, or discount separately, relative to Personal Property Title Insurance

Transactions. Standard Codes for Texas operations are set forth in Table 6.

9. Special charge or credit amount (repeat as needed)

10. Endorsement Type (repeat as needed)

- The Basic Statistical Record must record each endorsement separately, whether the modification of coverage is by an endorsement form attached to the policy or by a change on, or deletion in, the policy itself. Standard codes for Texas operations are set forth in Table 4.
- The Basic Statistical Record must record each policy, endorsement, or discount separately, relative to Personal Property Title Insurance Transactions. Standard Codes for Texas operations are set forth in Table 6.

11. Endorsement charge (repeat as needed)

12. Standard Insured Closing Service type

The Basic Statistical Record must record each Insured Closing Service letter separately with sufficient information to identify the type of Insured Closing Service letter issued (i.e. Lender or Purchaser/Seller). Standard codes for Texas operations are set forth in Table 5 and Table 6.

13. State of property

14. County of Property

Standard county codes for Texas operations are set forth in Table 7.

15. Mode of issue

Transactions must be classified into one of the following five categories as to the source of business:

- a. Through a direct operation of the underwriter;
- b. Through an owned or controlled agent or underwritten company;

- c. Through an independent non-attorney agent or underwritten company;
- d. Through an independent attorney agent;
- e. Through an approved attorney.

16. Agent's or underwritten company's commission/retention amount

17. On Co-insurance policies:

- a. Name of each co-insuring company
- b. Policy number of each co-insuring company
- c. Liability assumed by each co-insuring company.

TABLE 2 Standard Transaction Codes for Texas Operations

Description of Transaction	Rate Rule Reference	Code
<i>Owner's Policies</i>		
Single Issue	R-1	1000
Single Owner's Policy for Separate Purchases	R-3.B.	1001
Single Issue Pay-As-You-Go	R-2.c.	1005
Single Issue with Subsequent Improvements or Multiple Owner's Policies surrendered with Single Issue with Subsequent Improvements	R-3.A.	1100
Single Issue Following Construction in excess of \$5,000,000	R-20	1190
Single Issue U.S.A. (Forms T-6 or T-9)	R-17	7000
Single Issue U.S.A. (Form T-11)	R-17	7050
Single Owner's Policy for Separate Purchases Simultaneous with Loan Policy	R-3.B.	1002
Simultaneous with Loan Policy	R-5.A.	1200
Simultaneous with Loan that Exceeds Owner's	R-5.B.	1201
Simultaneous with Pay-As-You-Go Loan	R-5.E.1.	1205
Simultaneous with Pay-As-You-Go Loan – Owner's Exceeds Loan	R-5.E.2.	1215
Simultaneous with Loan with Credit for Previous Owner's Policy or Policies (Owner's Policy issued per P-8a)	R-5.C.	1230
Owner's Policy Simultaneous with Loan with Credit for Previous Owner's Policy or Policies (Owner's Policy issued without P-8a)	R-5.D.	1231
Simultaneous with Grantor's	R-21	1250
Simultaneous with Loan Following Construction in excess of \$5,000,000	R-20	1290
Subsequent to Interim Construction Loan Binder	R-13.B.2.	0040
Leasehold (Single Issue)	R-1	1300
Leasehold Simultaneous with Owner's Policy	R-22	1350
Leasehold Pay As-You-Go (Single Issue)	R-2.c.	1305
Leasehold (Simultaneous Issue)	R-5.A.	1400

TABLE 2 Standard Transaction Codes for Texas Operations (Continued)

Description of Transaction	Rate Rule Reference	Code
Leasehold Pay-As-You-Go (Simultaneous Issue)	R-5.E.	1405
Leasehold (Simultaneous Issue) Loan Exceeds Owner's	R-5.B.	1500
Leasehold Pay-As-You-Go (Simultaneous Issue) Loan Exceeds Owner's	R-5.E.	1505
<i>Loan Policies</i>		
Single issue	R-1	3000
Single Issue (Previously issued variable rate mortgagee or loan policy)	R-4	3001
Single Issue Pay-As-You-Go	R-2.a.	3005
Single Issue Construction Loan	R-1	3010
Single Issue Refinance of Construction Loan	R-18	3011
First Lien Policy – Simultaneous with Subordinate Lien Policy(ies)	R-7	3200
Simultaneous with Owner's Policy	R-5.A.	3210
Simultaneous with Owner's Policy up to 90 days	R-5.F.	3211
Simultaneous with Owner's Policy Pay-As-You-Go	R-5.E.	3215
Simultaneous with First Lien Policy	R-7	3220
Simultaneous with Owner's Policy when Loan Policy Exceeds Owner's	R-5.B.	3250
Simultaneous with Owner's that Exceeds Loan (Pay-As-You-Go)	R-5.E.	3255
Simultaneous with Owner's with Credit for Previous Owner's Policy or Policies	R-5.C. R-5.D.	3280
Simultaneous with Owner's Following Construction in excess of \$5,000,000	R-20	3290
Limited Pre-Foreclosure Policy (T-98)	R-26	3295
Limited Coverage Junior Loan Policy (T-44)	R-27.a.	3297
Leasehold (Single Issue)	R-1	3300
Leasehold Pay-As-You-Go (Single Issue)	R-2.a.	3305
Leasehold (Simultaneous Issue)	R-5.A.	3320
Leasehold Pay-As-You-Go (Simultaneous Issue)	R-5.E.1.	3325

TABLE 2 Standard Transaction Codes for Texas Operations (Continued)

Description of Transaction	Rate Rule Reference	Code
Leasehold (Simultaneous Issue) Loan Exceeds Owner's	R-5.B.	3340
Leasehold Pay-As-You-Go Simultaneous with Owner's that Exceeds Loan	R-5.E.2.	3345
Subsequent to Owner's Policy Excepting to Lien	R-6.A.	3230
Subsequent to Loan Policy	R-6.B.	3240
Insolvent Insurer Replacement Policy	R-6.C.	3241
Subsequent to Interim Construction Loan Binder	R-13.B.1.	0030
Refinance of Loan within One Year	R-8.B.1. (50% discount)	4001
Refinance of Loan within Two Years		4002
Refinance of Loan within Three Years		4003
Refinance of Loan within Four Years		4004
Refinance of Loan within Five Years	R-8.B.2. (25% discount)	4005
Refinance of Loan within Six Years		4006
Refinance of Loan within Seven Years		4007
Refinance of Loan within Eight Years		4008
Texas Limited Coverage Residential Chain of Title Policy Combined Schedule (T-53)	R-35	6000
Interim Construction Loan Binder Transactions		
Note: Moved to Loan Policies section		
Note: Moved to Owner's Policy section		
Loan Title Policy Binder on Interim Construction Loan	R-13	8020
Extension Endorsement	R-13	8021

TABLE 3 Standard Special Charge and Credit Codes for Texas Operations

Description of Transaction	Rate Rule Reference	Code
Charge for Additional Chains of Title	R-9	0010
Foreclosure Credit	R-14	0020
Credit for Commitment Premium	R-23	0050
Commitment to Texas Department of Transportation	R-23	8041
Commitment Issued to F.D.I.C. and O.T.S.	R-25	8042

TABLE 4 Standard Endorsement Codes for Texas Operations

Description of Endorsement	Rate Rule Reference	Code
<i>Endorsements which do not affect amount of Liability stated in policy</i>		
Down Date of Interim Construction Loan Binder (T-3) (Residential Real Property)	R-11.C.1.	0100
Down Date of Interim Construction Loan Binder (T-3) (Not Residential Real Property)	R-11.C.2.	0101
Variable Rate Mortgage Endorsement (T-33)	R-11.D.1.	0140
Variable Rate Mortgage Endorsement for which there is no Charge	R-11.D.1.	0141
Variable Rate Mortgage – Negative Amortization Endorsement (T-33.1)	R-11.D.2.a.	0142
Variable Rate Mortgage – Negative Amortization Endorsement for which there is no Charge (T-33.1)	R-11.D.2.b.	0143
Manufactured Housing (T-31)	R-11.E.1.	0150
Supplemental Coverage Manufactured Housing Unit Endorsement for Loan Policy (T-31.1)	R-11.E.2.	0151
Supplemental Coverage Manufactured Housing Unit Endorsement for Owner's Policy (T-31.1)	R-15.c.	0152
Assignment of Mortgage (T-3)	R-11.A.	0211
Partial Release, Modification, etc. (T-38)	R-11.B.	0311
Correction - Other than Policy Amount (T-3)	No Charge	0400
Balloon Mortgage Endorsement, Issued at same as Policy (T-39)	R-11.H.1.	0411
Balloon Mortgage Endorsement, Issued subsequent to Policy (T-39)	R-11.H.2.	0412
Owner's Policy Amendment of Survey Exception (T-3 or deletion) (Not Residential Real Property, 15% of Basic Premium)	R-16.B.1.	0500
Owner's Policy Amendment of Survey Exception (T-3 or deletion) (Residential Real Property, 5% of Basic Premium, minimum \$20)	R-16.B.2.	0501

TABLE 4 Standard Endorsement Codes for Texas Operations (Continued)

Description of Endorsement	Rate Rule Reference	Code
Loan Policy Amendment of Survey Exception (T-3 or deletion) (No charge)	R-16.A. No Charge	0502
Completion of Improvements (T-3)	No Charge	0550
U.S.A. Policy Acquisition of Title (T-12)	R-17	0600
Amendment of Tax Exception (T-30, T-3 or deletion)	R-19	0700
Not Yet Due and Payable Tax Amendment	R-24	0710
Revolving Credit (T-35)	R-11.F.	0800
Environmental Protection Lien Endorsement (T-36)	R-11.G.	0810
Leasehold Owner's Policy Endorsement (T-4)	No Charge	0820
Residential Leasehold Endorsement (T-4R)	No Charge	0821
Leasehold Loan Policy Endorsement (T-5)	No Charge	0822
Limited Pre-Foreclosure Policy Down Date Endorsement (T-99)	R-26	0850
Equity Loan Mortgage Endorsement (T-42)	R-28.A.	0875
Supplemental Coverage Equity Loan Mortgage Endorsement (T- 42.1)	R-28.B.	0876
Texas Reverse Mortgage Endorsement (T-43)	No Charge	0877
Limited Coverage Junior Loan Home Equity Line of Credit/ Variable Rate (T-46)	R-27.d.	0878
Limited Coverage Junior Loan Down Date (T-45)	R-27.c.	0879
Limited Coverage Junior Loan Additional Coverage (T-3)	R-27.b.	0880
First Loss Endorsement (T-14)	R-11.I.	0881
Loan Policy Aggregation Endorsement (T-16)	R-11.J.	0883
Planned Unit Development Endorsement (T-17)	R-11.K.1.	0884
Planned Unit Development Endorsement (T-17) issued simultaneously on multiple loan policies covering the same land; 1st endorsement \$25; additional \$0	R-11.K.2.	0887
Condominium Endorsement (T-28) (No charge)	R-11.L.	0888

TABLE 4 Standard Endorsement Codes for Texas Operations (Continued)

Description of Endorsement	Rate Rule Reference	Code
Restrictions, Encroachments, Minerals Endorsement (T-19) (Residential Real Property)	R-29.A.	0885
Restrictions, Encroachments, Minerals Endorsement (T-19) (Not Residential Real Property)	R-29.B.	0886
Restrictions, Encroachments, Minerals Endorsement - Owner's Policy (T-19.1) (Residential Real Property) (no amendment of exception to area and boundaries is made)	R-29.C.1.	0897
Restrictions, Encroachments, Minerals Endorsement - Owner's Policy (T-19.1) (Residential Real Property) (amendment of exception to area and boundaries is made)	R-29.C.2.	0898
Restrictions, Encroachments, Minerals Endorsement - Owner's Policy (T-19.1) (Not Residential Real Property) (no amendment of exception to area and boundaries is made)	R-29.D.1.	0889
Restrictions, Encroachments, Minerals Endorsement - Owner's Policy (T-19.1) (Not Residential Real Property) (amendment of exception to area and boundaries is made)	R-29.D.2.	0895
Minerals and Surface Damage Endorsement – Owner’s Policy (T-19.2) on land which is for one-to-four family residential use of less than one acre or office, industrial, retail, mixed use retail/residential or multifamily purposes	R-29.1.A.	0801
Minerals and Surface Damage Endorsement – Loan Policy (T-19.2) on land which is for one-to-four family residential use of less than one acre or office, industrial, retail, mixed use retail/residential or multifamily purposes	R-29.1.A.	0802

TABLE 4 Standard Endorsement Codes for Texas Operations (Continued)

Description of Endorsement	Rate Rule Reference	Code
Minerals and Surface Damage Endorsement – Owner’s Policy (T-19.3) on land which is not for one-to-four family residential use of less than one acre or office, industrial, retail, mixed use retail/residential or multifamily purposes	R-29.1.B.	0803
Minerals and Surface Damage Endorsement – Loan Policy (T-19.3) on land which is not for one-to-four family residential use of less than one acre or office, industrial, retail, mixed use retail/residential or multifamily purposes	R-29.1.B.	0804
Energy Project – Minerals and Surface Damage Endorsement (T-19.4)	R-29.2.	0807
Severable Improvements Endorsement (T-54)	R-37.A.	0831
Energy Project – Leasehold/Easement Owner’s Endorsement (T-55)	R-37.B.	0832
Energy Project – Leasehold/Easement – Loan Endorsement (T-55.1)	R-37.C.	0833
Energy Project – Leasehold – Owner’s Endorsement (T- 55.2)	R-37.D.	0834
Energy Project – Leasehold Loan – Loan Endorsement (T- 55.3)	R-37.E.	0835
Energy Project – Fee Estate – Owner’s Endorsement (T- 55.4)	R-37.F.	0836
Energy Project – Fee Estate – Loan Endorsement (T-55.5)	R-37.G.	0837
Access Endorsement (T-23)	R-30	0890
Non-Imputation Endorsement (T-24)	R-31	0891
Non-Imputation Endorsement (Mezzanine Financing) (T-24.1)	R-31	0805
Contiguity Endorsement (T-25)	R-32	0892
Contiguity Endorsement (T-25.1)	R-32	0806
Additional Insured Endorsement (T-26)	R-33	0893
Assignment of Rents/Leases (T-27)	R-34	0894
Co-Insurance Endorsement (T-48)	No Charge	0896

TABLE 4 Standard Endorsement Codes for Texas Operations (Continued)

Description of Endorsement	Rate Rule Reference	Code
<i>Endorsements which affect amount of Liability stated in policy</i>		
Correction of Policy Amount (T-3)	No Charge	0900
Down Date of Construction Loan Policy (T-3) (Residential Real Property)	R-11.C.1.	0920
Down Date of Construction Loan Policy (T-3) (Not Residential Real Property)	R.11.C.2.	0921
Down Date of Owner's Policy During Construction (T-3) (Residential Real Property)	R-15.b.1.	0940
Down Date of Owner's Policy During Construction (T-3) (Not Residential Real Property)	R-15.b.2.	0941
Owner Policy Increased Value Endorsement (T-34)	R-15a	0960

TABLE 5 Standard Insured Closing Service Codes for Texas Operations

Description of Transaction	Rate Rule Reference	Code
Lender Insured Closing Service (T-50)	No Charge	5000
Purchaser/Seller Insured Closing Service (T-51)	No Charge	5005

TABLE 6 Standard Personal Property Title Insurance Transaction Codes for Texas Operations

Description of Transaction	Rate Rule Reference	Code
Personal Property Title Insurance Owner's Policy (PPT-1)	PPT R-1	2000
Personal Property Title Insurance Lender's Policy (PPT-2)	PPT R-1	2001
Aggregation Endorsement (PPT-2.1)	PPT R-2	2002
Gap Endorsement (PPT-2.2)	PPT R-3	2003
Increase in Liability Endorsement (PPT-2.3)	PPT R-4	2004
Datedown Endorsement (PPT-2.4)	PPT R-5	2005
Change in Location of Debtor Endorsement (PPT-2.5)	PPT R-6	2006
Mezzanine Endorsement (PPT-2.6)	PPT R-7	2007
Assignment Endorsement (PPT-2.7)	PPT R-8	2008
Co-Insurance Endorsement (PPT-1.8/2.8)	PPT R-9	2009
Personal Property Title Insurance Search Policy (PPT-5)	PPT R-10	2010
Personal Property Title Insurance Filing Policy (PPT-6)	PPT R-11	2011
Personal Property Title Insurance Combined Search Policy (PPT-7)	PPT R-12	2012
Personal Property Title Insurance Lender's Policy (PPT-8)	PPT R-13	2013
Personal Property Title Insurance Owner's Policy (PPT-9)	PPT R-14	2014
Seller's Lien Endorsement (PPT-8.1)	PPT R-15	2015
Tax Lien Endorsement (PPT-8.2)	PPT R-16	2016
Mezzanine Endorsement (PPT-8.3)	PPT R-17	2017
Pledged Equity Endorsement (PPT-8.4)	PPT R-18	2018
Change of Name of Insured Endorsement (PPT-8.5)	PPT R-19	2019
Lender's Aggregation Endorsement (PPT-8.6)	PPT R-20	2020
Renewal Endorsement (PPT-8.7)	PPT R-21	2021
Waiver of Attorney Subrogation Rights Endorsement (PPT-8.8)	PPT R-22	2022
Springing Control Endorsement (PPT 8.9)	PPT R-23	2023
Post Policy Tax Lien Endorsement (PPT-8.10)	PPT R-24	2024
Borrower's Status Endorsement (PPT-8.11)	PPT R-25	2025
Post Policy Judgment Lien Endorsement (PPT-8.12)	PPT R-26	2026
Buyer's Aggregation Endorsement (PPT-9.1)	PPT R-27	2027

TABLE 6 Standard Personal Property Title Insurance Transaction Codes for Texas Operations
(Continued)

Description of Transaction	Rate Rule Reference	Code
Pending Suits and Judgments Endorsement (PPT-9.2)	PPT R-28	2028
Increase in Tax Lien Coverage Endorsement (PPT-9.3)	PPT R-29	2029
Owner's Equity Ownership Endorsement (PPT-9.4)	PPT R-30	2030
Owner's Policy Insuring Clauses Endorsement (PPT-9.5)	PPT R-31	2031
Personal Property Title Insurance Owner's Policy (PPT-10)	PPT R-32	2032
Personal Property Title Insurance Lender's Policy (PPT-12)	PPT R-32	2033
Landlord's Lien Endorsement (PPT-12.1)	PPT R-34	2034
Lapse Endorsement (PPT-12.2)	PPT R-35	2035
Mezzanine Financing Endorsement (PPT-12.5)	PPT R-36	2036
Prior Owner's Endorsement (PPT-12.3)	PPT R-37	2037
Tie-in Endorsement (PPT-12.6)	PPT R-38	2038
Federal Tax Lien Endorsement (PPT-12.4)	PPT R-39	2039
Mixed Collateral Transactions Discount	PPT R-33(a)	2040
Simultaneous Issue Discount	PPT R-33(c)	2041
Simultaneous Issue Discount	PPT R-14	2042
Simultaneous Rate Discount	PPT R-1	2043
Mixed Collateral Discount	PPT R-13	2044
Project or Portfolio Rate Discount	PPT R-13	2045
Mixed Collateral Discount	PPT R-1	2046

TABLE 7 Standard County Codes for Texas

Anderson	001
Andrews	003
Angelina	005
Aransas	007
Archer	009
Armstrong	011
Atascosa	013
Austin	015
Bailey	017
Bandera	019
Bastrop	021
Baylor	023
Bee	025
Bell	027
Bexar	029
Blanco	031
Borden	033
Bosque	035
Bowie	037
Brazoria	039
Brazos	041
Brewster	043
Briscoe	045
Brooks	047
Brown	049
Burleson	051
Burnet	053
Caldwell	055

Calhoun	057
Callahan	059
Cameron	061
Camp	063
Carson	065
Cass	067
Castro	069
Chambers	071
Cherokee	073
Childress	075
Clay	077
Cochran	079
Coke	081
Coleman	083
Collin	085
Collingsworth	087
Colorado	089
Comal	091
Comanche	093
Concho	095
Cooke	097
Coryell	099
Cottle	101
Crane	103
Crockett	105
Crosby	107
Culberson	109
Dallam	111

Dallas	113
Dawson	115
Deaf Smith	117
Delta	119
Denton	121
De Witt	123
Dickens	125
Dimmit	127
Donley	129
Duval	131
Eastland	133
Ector	135
Edwards	137
Ellis	139
El Paso	141
Erath	143
Falls	145
Fannin	147
Fayette	149
Fisher	151
Floyd	153
Foard	155
Fort Bend	157
Franklin	159
Freestone	161
Frio	163
Gaines	165
Galveston	167

TABLE 7 Standard County Codes for Texas (Continued)

Garza	169
Gillespie	171
Glasscock	173
Goliad	175
Gonzales	177
Gray	179
Grayson	181
Gregg	183
Grimes	185
Guadalupe	187
Hale	189
Hall	191
Hamilton	193
Hansford	195
Hardeman	197
Hardin	199
Harris	201
Harrison	203
Hartley	205
Haskell	207
Hays	209
Hemphill	211
Henderson	213
Hidalgo	215
Hill	217
Hockley	219
Hood	221
Hopkins	223

Houston	225
Howard	227
Hudspeth	229
Hunt	231
Hutchinson	233
Irion	235
Jack	237
Jackson	239
Jasper	241
Jeff Davis	243
Jefferson	245
Jim Hogg	247
Jim Wells	249
Johnson	251
Jones	253
Karnes	255
Kaufman	257
Kendall	259
Kenedy	261
Kent	263
Kerr	265
Kimble	267
King	269
Kinney	271
Kleberg	273
Knox	275
Lamar	277
Lamb	279

Lampasas	281
La Salle	283
Lavaca	285
Lee	287
Leon	289
Liberty	291
Limestone	293
Lipscomb	295
Live Oak	297
Llano	299
Loving	301
Lubbock	303
Lynn	305
McCulloch	307
McLennan	309
McMullen	311
Madison	313
Marion	315
Martin	317
Mason	319
Matagorda	321
Maverick	323
Medina	325
Menard	327
Midland	329
Milam	331
Mills	333
Mitchell	335

TABLE 7 Standard County Codes for Texas (Continued)

Montague	337
Montgomery	339
Moore	341
Morris	343
Motley	345
Nacogdoches	347
Navarro	349
Newton	351
Nolan	353
Nueces	355
Ochiltree	357
Oldham	359
Orange	361
Palo Pinto	363
Panola	365
Parker	367
Parmer	369
Pecos	371
Polk	373
Potter	375
Presidio	377
Raines	379
Randall	381
Reagan	383
Real	385
Red River	387
Reeves	389
Refugio	391
Roberts	393

Robertson	395
Rockwall	397
Runnels	399
Rusk	401
Sabine	403
San Augustine	405
San Jacinto	407
San Patricio	409
San Saba	411
Schleicher	413
Scurry	415
Shackelford	417
Shelby	419
Sherman	421
Smith	423
Somervell	425
Starr	427
Stephens	429
Sterling	431
Stonewall	433
Sutton	435
Swisher	437
Tarrant	439
Taylor	441
Terrell	443
Terry	445
Throckmorton	447
Titus	449
Tom Green	451

Travis	453
Trinity	455
Tyler	457
Upshur	459
Upton	461
Uvalde	463
Val Verde	465
Van Zandt	467
Victoria	469
Walker	471
Waller	473
Ward	475
Washington	477
Webb	479
Wharton	481
Wheeler	483
Wichita	485
Wilbarger	487
Willacy	489
Williamson	491
Wilson	493
Winkler	495
Wise	497
Wood	499
Yoakum	501
Young	503
Zapata	505
Zavala	507

TDI
ITEM 2023-27
UPDATE TEXAS DEPARTMENT OF INSURANCE ADDRESS

CITATION

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

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

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

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

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

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

TDI adopts the following updates to reflect TDI's current address:

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

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

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

I. NOTICE REQUIREMENTS

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

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

II. AUDIT AND ACCOUNTING REQUIREMENTS

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

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

...

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. Procedures for Use of the Surety Bond.

A. **Filing**

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

B. **Conditions of Bond**

The bond shall be:

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

C. **Bond Proceeds**

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

(2) Bond proceeds:

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

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

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

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

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

II. Form and Content of Bond.

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

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

CITATION

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

INSURED CLOSING SERVICE LETTER (T-50)

BLANK TITLE INSURANCE COMPANY

Name and Address of Addressee:

Date:

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

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

Re: Insured Closing Service

Dear

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

REQUIREMENTS

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

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

CONDITIONS AND EXCLUSIONS

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

Company would have against the Addressee, and:

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

Real Estate Transaction. This Section 3.d does not affect the coverage afforded in the Policy;

- e. Fraud, theft, misappropriation, dishonesty or negligence by You or Your employee, agent, attorney or broker;
- f. Fraud, theft, dishonesty, or misappropriation by anyone other than the Company or Issuing Agent;
- g. Your settlement or release of any claim by You without the Company's written consent;
- h. Any matters created, suffered, assumed or agreed to or known by You.
- i. Failure of the Issuing Agent to determine the validity, enforceability, or the effectiveness of a document required by Your closing instructions. This Section 3.i does not affect the coverage afforded in the Policy;
- j. Federal consumer financial law, as defined in 12 U.S.C. §5481 (14), actions under 12 U.S.C. §5531, or other federal or state laws relating to truth-in-lending, a borrower's ability to repay a loan, qualified mortgages, consumer protection, or predatory lending, including any failure of the Issuing Agent to comply with Your closing instructions relating to those laws;
- k. Federal or state laws establishing the standards or requirements for asset-backed securitization including, but not limited to, exemption from credit risk retention, including any failure of the Issuing Agent to comply with Your closing instructions relating to those laws;
- l. The periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land relating to the Real Estate Transaction; or
- m. The Issuing Agent acting in the capacity of a qualified intermediary or facilitator for tax deferred exchange transactions as provided in Section 1031 of the Internal Revenue Code; or

- n. Wire fraud, mail fraud, telephone fraud, facsimile fraud, unauthorized access to a computer, network, email, or document production system, business email compromise, identity theft, or diversion of Funds to a person or account not entitled to receive the Funds perpetrated by anyone other than the Company of Issuing Agent.
4. If the closing is to be conducted by the Issuing Agent, a Commitment in connection with the Real Estate Transaction must have been received by You prior to the transmittal of Your final closing instructions to the Issuing Agent.
5. When the Company shall have indemnified You pursuant to this letter, it shall be subrogated to all rights and remedies You have against any person or property had You not been indemnified. The Company's liability for indemnification shall be reduced to the extent that You have impaired the value of this right of subrogation.
6. The Company's liability for loss under this letter shall not exceed the least of:
 - a. the amount of Your Funds;
 - b. the Company's liability under the Policy at the time written notice of a claim is made under this letter;
 - c. the value of the lien of the Insured Mortgage;
 - d. the value of the Title to the Land insured or to be insured under the Policy at the time written notice of a claim is made under this letter;or
7. The Company will be liable only to the holder of the Indebtedness at the time that payment is made.
8. Payment to You or to the owner of the Indebtedness under either the Policy or Policies or from any other source shall reduce liability under this letter by the same amount. Payment in accordance with the terms of this letter shall constitute a payment pursuant to the Conditions of the Policy.

9. The Issuing Agent is the Company's agent only for the limited purpose of issuing Policies. The Issuing Agent is not the Company's agent for the purpose of providing other closing or settlement services. The Company's liability for Your loss arising from closing or settlement services is strictly limited to the contractual protection expressly provided in this letter. Other than as expressly provided in this letter, the Company shall have no liability for loss resulting from the fraud, theft, dishonesty, misappropriation, or negligence of any party to the Real Estate Transaction, the lack of creditworthiness of any borrower connected with the Real Estate Transaction, the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction, or the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction.
10. In no event shall the Company be liable for a loss if the written notice of a claim is not received by the Company within two years from the date of the transmittal of Funds. The condition that the Company must be provided with written notice under this provision shall not be excused by lack of prejudice to the Company;
11. You must promptly send written notice of a claim under this letter to the Company at its principal office at_____. If the Company is prejudiced by Your failure to provide prompt notice, the Company's liability to You under this letter shall be reduced to the extent of the prejudice.
12. Whenever requested by the Company, You, at the Company's expense, shall:
 - a. give the Company all reasonable aid in:
 - i. securing evidence, obtaining witnesses, prosecuting, or defending any action or proceeding, or effecting any settlement; and
 - ii. any other lawful act that in the opinion of the Company may be necessary to enable the Company's investigation and determination of its liability under this letter;
 - b. deliver to the Company any records, in whatever medium

maintained, that pertain to the Real Estate Transaction or any claim under this letter; and

- c. submit to an examination under oath by any authorized representative of the Company with respect to any such records, the Real Estate Transaction, any claim under this letter or any other matter reasonably deemed relevant by the Company.

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

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

BLANK TITLE INSURANCE COMPANY

By: [Authorized Signatory]

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

CITATION

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

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

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

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

Attached to Policy No. _____

Issued by

[Title Company]

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
 - a. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together constitute one integrated project.
 - b. “Easement” means each easement described in Schedule A.
 - c. “Easement Interest” means the right of use granted in the Easement for the Easement Term.
 - d. “Easement Term” means the duration of the Easement Interest, as set forth in the Easement, including any renewal or extended term if a valid option

to renew or extend is contained in the Easement.

- e. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
- f. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of a matter covered by this policy.
- g. "Lease" means each lease described in Schedule A.
- h. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.
- i. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- j. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by *(insert name of architect or engineer)*, dated _____, last revised _____, and designated as *(insert name of project or project number)* consisting of _____ sheets.
- k. "Remaining Term" means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.
- l. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the

property or to the Land.

3. Valuation of Title as an Integrated Project:

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

4. Valuation of Severable Improvements:

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

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

5. Additional items of loss covered by this endorsement:

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

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

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

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

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

[Witness clause optional]

[Title Company]

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

Attached to Policy No. _____

Issued by

[Title Company]

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

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

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

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

4. Valuation of Severable Improvements:

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

5. Additional items of loss covered by this endorsement:

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

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

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

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

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

[Witness clause optional]

[Title Company]

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

Attached to Policy No. _____

Issued by

[Title Company]

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

- f. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
 - g. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated _____, last revised _____, and designated as (insert name of project or project number) consisting of _____ sheets.
 - h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.
 - g. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
3. Valuation of Title as an Integrated Project:
- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease as computed in Section 3(b) below.
 - b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
 - c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.

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

4. Valuation of Severable Improvements:

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

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:

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

5. Additional items of loss covered by this endorsement:

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

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

restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

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

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

endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

[Title Company]

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

Attached to Policy No.

Issued by

[Title Company]

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

- g. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (*insert name of architect or engineer*), dated _____, last revised _____, and designated as (*insert name of project or project number*) consisting of _____ sheets.
 - h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.
 - i. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
 - j. "Tenant" means the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.
3. Valuation of Title as an Integrated Project:
- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease as computed in Section 3(b) below.
 - b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
 - c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.
 - d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the

Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

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

5. Additional items of loss covered by this endorsement:

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

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

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

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

[Witness clause optional]

[Title Company]

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

Attached to Policy No. _____

Issued by

[Title Company]

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

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

3. Valuation of Title as an integrated project:

- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Insured is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.
- b. A computation of loss or damage resulting from an Ejection affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.
- c. The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.
- d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

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

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

5. Additional items of loss covered by this endorsement:

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

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

equivalent to the parcel that is the subject of the Ejection.

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

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

[Witness clause optional]

[Title Company]

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

Attached to Policy No. _____

Issued by

[Title Company]

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

constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

- f. "Vestee" means the party in which the Title is vested as stated in Schedule A and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

3. Valuation of Title as an integrated project:

- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Vestee is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.
- b. A computation of loss or damage resulting from an Ejection affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.
- c. The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.
- d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

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

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

5. Additional items of loss covered by this endorsement:

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

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

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

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

[Witness clause optional]

[Title Company]

Section III, Rate Rule, R-37

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

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

Section IV, Procedural Rules, P-72

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

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

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements, and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
 - a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
 - b. The estate or interest in the Land that is insured:
 - i. by the Owner's Policy (Form T-1) includes:
 - (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
 - (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
 - (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
 - ii. by the Loan Policy (Form T-2) includes:
 - (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1),
 - (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), or
 - (c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and
4. The Company's underwriting requirements are met.

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

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

CITATION

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

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

PROCEDURAL RULE P-1. Definitions

u. Residential Real Property –

...

1. For this definition, the word "Improvements" means improvements designed primarily for the occupancy of from one to four families and includes:
 - a. Improvements existing at Date of Policy; and
 - b. immediately contemplated Improvements when the cost of such Improvements is included in the Amount of Insurance.
2. Residential Real Property is any real property with Improvements which at Date of Policy consists of:
 - a. a lot or lots in a platted residential subdivision;
 - b. one or more individual residential condominium and cooperative units;
 - c. 10 acres or less; or
 - d. more than 10 acres, but not more than 200 acres, when the Insured in an Owner's Policy or the Borrower in a Loan Policy is a natural person or persons.

...

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

- A. The premium for amending the exception as to area and boundaries, etc. in a Loan Policy (Form T-2 or Form T-2R) is \$0.

- B. The premium for amending the exception as to area and boundaries, etc. in an Owner's Policy (Form T-1 or Form T-1R) is:
 - 1. 15 percent of the Basic Premium Rate on the Policy Amount when the Land is not Residential Real Property, or

 - 2. 5 percent of the Basic Premium Rate on the Policy Amount when the Land is Residential Real Property, but not less than \$20.00.

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

CITATION

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

EQUITY LOAN MORTGAGE ENDORSEMENT T-42

Attached to and made a part of _____ Title Insurance Company

Loan Policy No. _____,

dated the _____ day of _____, 20____.

Issued by

BLANK TITLE INSURANCE COMPANY

The policy is hereby amended as follows:

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

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

2. Notwithstanding the specific provisions of paragraph 5 of the Exclusions from Coverage relating to consumer credit protection laws, the Company insures the insured against loss, if any, sustained by the insured under the terms of the policy because of invalidity or unenforceability of the lien of the insured mortgage by reason of the following:

- a. The failure of the insured mortgage to be created under a written

agreement with the consent of each owner of the estate or interest described in Schedule A and each owner's spouse, as set forth in Subsection (a)(6)(A) of Section 50, Article XVI, Texas Constitution.

- b. [This subparagraph is intentionally deleted because of an Amendment to the Texas Constitution.]
 - c. The indebtedness secured by the lien of the insured mortgage on the land not being the only debt secured by a valid lien on the land at the time the extension of credit is made pursuant to the insured mortgage unless the other debt was made for a purpose described by Subsections (a)(1) through (a)(5) or Subsection (a)(8) of Section 50 of Article XVI, Texas Constitution, as set forth in Subsection (a)(6)(K) of Section 50, Article XVI, Texas Constitution.
 - d. The extension of credit secured by the lien of the insured mortgage closing before the first anniversary of the closing date of any other extension of credit described by Subsection (a)(6) of Section 50 of Article XVI, Texas Constitution, and secured by a valid lien on the land, as set forth in Subsection (a)(6)(M)(iii) of Section 50, Article XVI, Texas Constitution.
 - e. The failure of the insured mortgage to contain a disclosure that the extension of credit is the type of credit defined by Section 50(a)(6), Article XVI, Texas Constitution, as set forth in Subsection (a)(6)(Q)(vi) of Section 50(a)(6), Article XVI, Texas Constitution.
3. Provided the insured mortgage secures a home equity line of credit, the Company insures the Insured that any disbursements under the home equity line of credit made subsequent to the date of this policy as provided in the insured mortgage shall be deemed to have been made as of the date of this policy and such disbursements and accrued interest shall have the same priority as any advances made as of the date of this policy, except as to (i) bankruptcies affecting the estate or interest described on Schedule "A" hereof prior to the date of any such advance or disbursement; and (ii) taxes, costs, charges, damages and other obligations to the government secured by statutory liens arising or recorded subsequent to the date of the Policy.
4. Except as provided in paragraph 2 above, the Company does not insure against invalidity or unenforceability of the lien of the insured mortgage, which arises

out of the transaction evidenced by the insured mortgage and is based on any consumer credit protection law.

5. This endorsement does not insure against invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, arising out of usury or truth in lending laws.

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

**ITEM 2023-E
RATE RULE R-5**

CITATION

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

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

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

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

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

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

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

- D. When there is an existing Owner's Policy(ies) insuring residential property that did not include the exception and liability paragraph provided in Procedural Rule P-8.a and improvements are now completed:
 - 1. The premium for a new Owner's Policy(ies) must be reduced by a credit as provided in Rate Rule R-3, if the new Owner's Policy:
 - a. is in an amount greater than the existing Owner' Policy(ies);
 - b. covers the identical property covered by the existing Owner's Policy(ies); and
 - c. is dated within four years of the existing Owner's Policy(ies);
 - 2. The credit only applies when the ownership of the property has not changed; and
 - 3. The premium collected for the Owner's Policy must not be less than the minimum Basic Rate.
 - 4. The premium for each Loan Policy must be \$100.00, if:
 - a. all policies are issued simultaneously;
 - b. all policies bear the same date;
 - c. each Loan Policy covers the same land—or part of the land—covered by the Owner's Policy and covers no other land; and
 - d. the Owner's Policy shows the lien(s) insured by each Loan Policy as an

exception.

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

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

THIS RULE MAY NOT BE APPLIED in connection with the issuance of a series of Loan Policies issued by reason of notes being apportioned to individual units in connection with a master policy covering the aggregate indebtedness, including improvements. Except as otherwise provided in this rule, individual Loan Policies must be issued at the Basic Rate.