

## **New Title Insurance Regulations and Rates**

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Effective with settlements occurring on July 1, 2012 and thereafter, new rules will be in place as determined by the Title Insurance Rating Bureau of Pennsylvania.

The rate structure is very simple. There is a sale rate, a non-sale rate, an enhanced sale rate, and an enhanced non-sale rate.

Gone is the reissue rate, the operative builders discount rate, and any other special rate that existed in the past.

The sale rate is the price to be paid for a normal transaction where someone is buying a property. It is an all-inclusive rate, and includes coverage for a lender up to the amount of the purchase price. The non-sale rate is the rate that is charged for mortgage transactions, including refinances. The enhanced sale rate is the rate that is charged for purchasers of enhanced policies, and the enhanced non-sale is the rate to be charged if a lender in a non-sale situation wants the enhanced rate.

The rates have increased by approximately 7% over the rates that were in existence, which have been in existence since January 1, 2002.

Another change that doesn't affect us very often is the fact that there were scheduled rates up to \$30,000,000, and above that the rates were negotiated between the buyer and the title company. Now there is a rate structure for all amounts, regardless of how much.

The actual policies and the endorsement forms are unchanged.

You should be aware of the new rates when you are quoting estimated settlement costs if the settlement will occur after July 1, 2012. Those rates are too lengthy to attach to this article, but you certainly should be able to get the rates from the title insurance with which you deal. If someone specifically needs and cannot get them, feel free to contact me and I will email you the rates.

If you have any questions don't hesitate to contact me at 215-661-0400 or [EMullin@HRMML.com](mailto:EMullin@HRMML.com).