



Dear Stewart Partners,

It looks like we may finally be done with the warm weather and Fall is truly upon us. In this Mid-Week Update, we are providing information regarding a continuing refresher on Connecticut Standards of Title (Chapter 19) as well as a refresher on the benefits of the ALTA Homeowner's Policy of Title Insurance (7-1-21).

As a reminder to our New England agents who issue policies on properties in Massachusetts and Connecticut, effective October 10, 2025, the FinCEN Geographical Targeting Order (GTO) has been extended, meaning reporting is still required for transactions in those covered counties where residential property is being purchased by an entity for consideration of \$300,000 or more and there is no bank financing involved. To read the complete bulletin, see below.

Lastly, see below for some upcoming educational opportunities.



Connecticut Standards of Title 19.2, 19.3 and 19.7 – Foreclosure of Mortgages and Liens By: David S. Veleber, Esq. Connecticut Underwriting Counsel

Chapter 19 of the Connecticut Standards of Title discusses the various title issues which may arise in the course of foreclosure of mortgages and liens. Often there are defects in the various documents prepared and recorded as part of the foreclosure process. Although sometimes such defects can impact the marketability of the title, other times the errors are minor and do not impair marketability. Again, the Standards of Title provide a treasure trove of helpful resolutions to potential issues.

One such situation where a possible defect does not actually impair marketability is outlined in **Standard 19.2** entitled "Effect of Errors in a Statutory Certificate of Foreclosure." The Standard says, **"A statutory certificate of foreclosure is not a muniment of title. It merely serves as public notice that a particular mortgage or lien has been foreclosed. It acts as a pointer for title searchers directing them to the particular court action which foreclosed the mortgage or lien. Thus, any inaccuracies or omissions in such recorded certificate, regardless of their nature, will not affect the marketability of title."**

It is important to remember that a Certificate of Foreclosure is not a muniment of title. It is not like a deed. It does not actually pass title. The certificate is simply a notice to the world that a particular mortgage or lien has been foreclosed and points the title searcher to a

particular court action. The actual foreclosure judgment is the muniment of title and really determines the proper party in whom title vests.

Since it is the judgment (and the passing of the law days) that actually transfers the title, errors in the Certificate of Foreclosure do not impair marketability. This is why an actual review of the foreclosure court file is so important when you are buying property from a party which obtains its title through a foreclosure action.

Similar to the discussion above, **Standard 19.7** outlines that errors in a Certificate of Judgment of Foreclosure or a Satisfaction of Judgment also do not impair marketability since these documents are also not muniments of title. They generally arise where the owner is redeeming the property and are just putting title back in the homeowner. To the extent that there are any conflicts between the documents and the court's judgment, the judgment will control, even where the order of priorities in a Certificate of Judgment of Strict Foreclosure is incorrectly stated.

We periodically get calls from attorneys and lenders who want releases for liens which were part of a foreclosure action. They want to know why certain liens have not been released of record. **Standard 19.3** entitled "Failure to Release Mortgages and Other Interests Involved in a Foreclosure Action" addresses these concerns.

Per Standard 19.3, "**Marketability of a title derived through foreclosure of a mortgage or lien is not impaired by failure to release of record the instrument which created the interest foreclosed, or any instrument which created a subsequent lien or interest which was extinguished by the foreclosure.**" So, although there are no recorded releases of the liens which were part of the foreclosure, this Standard outlines that no such releases are necessary in order for title to be marketable. This is true even if the foreclosure would leave a deficiency.

Please contact your local Stewart underwriter to discuss a specific transaction or any questions regarding this, or any other, Standard of Title.



Refresher: ALTA Homeowner's Policy of Title Insurance Includes Built In Protection Against Forgery By: Katherine F. Fletcher, Esq.,
Connecticut State Counsel and Associate Senior Underwriting Counsel

Perhaps many of you have seen ads for services which claim to monitor public property records for title fraud. Unlike title insurance, however, these services are not insurance. Rather, they only alert a homeowner of potential fraud. Also, this alert is only provided after title transfer documents are recorded.

An ALTA Homeowner's Policy of Title Insurance (7-1-21) (the "Homeowner's Policy"), on the other hand, not only provides insurance, but also provides protection against fraud **before and after** the transfer of title. The Homeowner's Policy provides coverage for instances where the policy holder purchased the property from a person fraudulently claiming to own the property. After the policy holder's purchase, the Homeowner's Policy includes coverage for forgery occurring after the purchase and further provides additional protection for the owner against a third party fraudulently transferring their property. Alternatives to title

insurance do not protect buyers or actual property owners from seller impersonation fraud. Notably, the Homeowner's Policy's pre-transfer and post-transfer protections are available ***without the need for additional endorsements***, as has been the case since ALTA's adoption of the Homeowner's Policy in 1998.

Generally, the Homeowner's Policy is available for an insured that is a natural person and is purchasing improved land with an existing one-to-four family residence. To review the specific underwriting requirements for the Homeowner's Policy, please see the following: [Guideline: ALTA Homeowner's Policy of Title Insurance \(7-1-21\)](#). Of course, you can always reach out to your local Stewart underwriter for assistance in determining if the Homeowner's Policy is available for a particular transaction.

In addition to post-purchase forgery protection, the Homeowner's Policy also includes several other protections beyond the standard ALTA Owner's Policy, which relate to, among other things, building permit violations, restrictions and zoning violations, and expanded access to the property. Please note that the ALTA Owner's Policy, which is the basic policy with no enhanced coverage, only provides coverage for pre-purchase forgery, and does not include the various other additional protections afforded by the Homeowner's Policy. For an extensive side by side comparison of the 2021 ALTA Homeowner's Policy of Title Insurance and the 2021 ALTA Owner's Policy of Title Insurance, please see the following: [ALTA Policy Comparison](#).

With respect to commercial property, Stewart offers the STG Post-Policy Forgery Endorsement for issuance with the 2021 ALTA Owner's Policy if the property is an existing improved commercial property. You may issue this endorsement with the 2021 ALTA Owner's Policy without any additional charge or premium, provided the land **is not residential property and is improved commercial property**, without any additional requirements. This is not an ALTA endorsement, but a proprietary Stewart Title Guaranty Company endorsement. This endorsement enhances the coverage of the Insured in the 2021 ALTA Owner's Policy and may be at the time of issuance of the 2021 ALTA Owner's Policy. This endorsement is not to be issued with any prior version of the ALTA Owner's Policy, such as the 2006 ALTA Owner's Policy or any of the ALTA Homeowner's Policies, any Expanded Coverage Residential Policies, or any Loan Policy, such as the 2021 ALTA Loan Policy. You can review the language of the endorsement on Virtual Underwriter: [STG Post Policy Forgery Endorsement](#). If you would like to issue this endorsement, and do not have the policy form in your database of Stewart forms, please reach out to your local Stewart Underwriting counsel for the official form.



In Case you Missed It

Bulletin: SLS2025011: FinCEN recently renewed its Geographic Targeting Orders (GTO) through February 29, 2026. In New England, the GTO requires reporting of certain transactions in Massachusetts and Connecticut if the transaction falls within certain counties within those two states. To view the complete Bulletin, follow this [link](#).

As a reminder, Stewart can help you report applicable transactions, at no charge, through its Filing Assist program. To view information about this program, follow this link. [FinCEN Geographic Targeting Orders Info](#)



Educational Opportunities

REBA hosted webinar: **Withholding on Sales of Massachusetts Real Estate** – On October 21, 2025 at 1:00 PM, REBA will be hosting a webinar about the new withholding tax filing which becomes effective on November 1, 2025 and will impact real estate transfers at or in excess of \$1 million. To register for this webinar, follow this link: [Webinars and Events | Real Estate Bar Association for Massachusetts](#)

ALTA hosted webinar: **ALTA's New Identity Verification Best Practices for Title Professionals** – on November 6, 2025, at 1:00 PM, join ALTA's complimentary, ALTA Insights Webinar as industry experts explore the latest enhancements to the ALTA Best Practices Framework. To register for this webinar, follow this link: [ALTA - Webinars \(ALTA Insights\)](#)



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