New England Regional Midweek Update
10/7/2026

Dear Stewart Partners,

October is upon us, bringing crisp autumn days, vibrant fall foliage, apple orchards, pumpkin patches, and, of course, Halloween. While this season is known for friendly frights and things that go bump in the night, real estate professionals know that some of the most troublesome surprises are the ones hiding in transaction documents. In this mid-week update, we uncover two issues that can quietly haunt a closing: last-minute changes to underwriter-approved language and hidden risks involving Massachusetts LLCs. A little vigilance now can help keep these ghosts from appearing after the transaction has closed. We are also reminding you about today's webinar from the Massachusetts underwriting team, dealing with taking title out of an intestate estate.



The Curse of the Last Minute Edit: The Risks of Changing Underwriter-Approved Language By: Jamie Spaulding, Esq., Maine Underwriting Counsel

Every title professional has been there. A lender asks for "just a small change." A customer wants cleaner or simpler language. An exception seems unnecessary. The temptation is to make a quick revision and keep the transaction moving.

But before you hit delete, pause.

Standard policy language, underwriter provided search reports, and underwriter-approved commitment or policy language are rarely accidental. Each provision, requirement, exception, endorsement, and instruction reflects the transaction's facts and risks, as well as the conditions under which the underwriter has agreed to provide coverage.

A substantive change is one that affects the scope of coverage, removes or narrows a requirement or exception, changes an underwriting condition, or otherwise alters the risk the underwriter agreed to insure. By contrast, correcting a typographical error or making another purely administrative revision ordinarily does not change the allocation of risk. What many agents do not fully appreciate is that a substantive change can do more than alter the language. It can alter responsibility and potentially shift liability from the underwriter to the agent.

When underwriting approves a particular provision, the underwriter evaluates and accepts the risk associated with that language. If an agent later modifies it without obtaining

underwriter approval, the agent may assume responsibility for a risk that underwriting did not evaluate or agree to insure. A claim arising from the revision may therefore raise questions about whether the loss resulted from the risk the underwriter accepted or from the agent's unauthorized modification. Depending on its terms, the agency contract may also require the agent to follow particular underwriting instructions and/or obtain approval before making substantive changes to commitment or policy language.

Consider a common example: an underwriter approves a commitment containing an exception for a potential access issue until additional documentation is reviewed. To satisfy a lender and avoid a closing delay, the exception is removed without further underwriting approval. If a dispute later arises concerning access rights, attention may quickly turn to the decision to remove the exception and whether the resulting exposure was created by the agent's change rather than the underwriter's original underwriting decision.

Another practical example involves an underwriter delivered search report that identifies an outstanding mortgage and permits the related commitment requirement to be removed only if specified payoff and discharge procedures are followed. If an agent disregards those conditions and deletes the requirement without underwriter approval, a later claim under the policy based on the unreleased mortgage may expose the agent to responsibility for departing from both the report and the underwriter's approved approach.

That is not a position any agent wants to be in, nor is it a position any underwriter wants to see an agent in.

The best habit an agent or attorney can develop is simple: if substantive language in a policy or commitment which has been approved is changed, or a clearance approach developed with your Stewart underwriting team cannot be accomplished, consult with your underwriter to obtain approval for any deviation. A quick call or email can preserve consistency, avoid misunderstandings, and keep everyone aligned as to the risk being insured.

Not every claim begins with a major title defect. Sometimes it begins with a well-intentioned edit. So, when a request comes in for "just one small change," remember that approved underwriting language is carefully crafted to allocate risk and define coverage. Before revising it, ask yourself one question: Am I changing the language, or am I changing who bears the risk?

When in doubt, ask your local underwriter first. It may be the most important edit you never make.



Don't Be Spooked by LLCs: Authority, Good Standing, and Fraud Risks in Massachusetts By: Laura B. Schumacher, Esq., Massachusetts Underwriting Counsel

Limited liability companies are among the most common parties in commercial and investment real estate transactions. While LLCs offer flexibility and liability protection, they also present unique underwriting and closing risks.

LLCs as Grantors and Grantees

An LLC is a separate legal entity and must be treated as such when drafting conveyancing documents. One of the most common mistakes is identifying the individual signatory, rather than the LLC itself, as the grantor.

INCORRECT: *Fenway Frank, as Manager of Yawkey Way, a Massachusetts limited liability company*

CORRECT: *Yawkey Way, LLC, a Massachusetts limited liability company*

The LLC owns the property, not its manager. As a result, the conveyance should be made by the entity.

Certificates of Good Standing and Authority

For Massachusetts LLCs, M.G.L. c. 156C, § 67 authorizes the Manager or person authorized to sign documents to be filed with the Secretary identified in the records of the Secretary of the Commonwealth to certify as to the authority of someone to execute real estate documents on behalf of the LLC. Further, M.G.L. c. 156C, § 66 allows us to rely on a deed or other recordable instrument signed by the Manager or Real Property Signatory shown on the Certificate of Organization of a MA LLC or on the Application for Registration of a foreign LLC filed with the Secretary of the Commonwealth.

While reviewing those records, practitioners should also confirm that the LLC is in good standing. For registered land transactions, an original Certificate of Good Standing must be filed with documents executed by the LLC.

PRACTICE TIP: Pay close attention to dates when dealing with newly formed LLCs or entities that have recently been reinstated after administrative dissolution. Transaction documents should be executed and acknowledged on or after the effective date of the LLC's formation or reinstatement. Documents signed before the entity legally existed or returned to good standing may create validity concerns.

LLC Fraud is on the Rise

Entity fraud has become increasingly sophisticated. Fraudsters may file improper amendments with the Secretary of the Commonwealth to change the listed Manager or Real Property Signatory and then use those filings to support unauthorized transactions.

As a result, a Certificate of Good Standing alone is no longer sufficient. Recently filed amendments, sudden changes in management, and inconsistencies between the purchase and sale agreement and closing documents should prompt additional investigation.

For any questions regarding LLC authority, good standing, or ownership, feel free to reach out to a member of our Massachusetts underwriting team.

Webinar TODAY – Stewart Massachusetts Underwriters Talk Title – Taking Title out of an Intestate Estate – October 7, 2026 at 11:00 A.M.

Join Jutta Deeney, Senior Underwriting Counsel and New England Regional Underwriting Counsel, and Tracie Kester, Senior Underwriting Counsel and New England Deputy Regional Underwriting Counsel, on the fourth installment of their “Probate 101” series. This webinar will address what to do when you are insuring title coming out of an estate where the decedent has died without a Will. The half-hour webinar will take place on October 7, 2026 at 11:00 A.M. To register, follow this link.

In Case You Missed It

A Special Alert was issued on September 23, 2026 for property in Massachusetts on Juniper Road in Belmont, Massachusetts. To read the full alert, follow this link: Special Alert: SA2026221

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