

**New Jersey
N2K Hour:**

**Understanding The
ALTA 2021 Forms**

WebEx Presentation:
October 25, 2023 and
November 1, 2023

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WHY RE-DO THE FORMS AT ALL?

- Why Update the Forms at all?
 - Important laws, regulations and court decisions have helped inform some changes, Dodd Frank Act, Consumer Financial Protection Bureau, remote online notarization and Uniform Voidable Transfer Act.
 - Some of the changes and revisions seem to be minor, almost semantic, but they create consistency throughout the terms and definitions.
 - Consistency with coverages, exclusions and definitions throughout.
- The 2021 forms include:
 - wholesale revisions to some policy forms which has resulted in the withdrawal of some forms and the introduction of replacement forms;
 - there are a couple of entirely new policy forms and some new endorsements; and minor revisions to existing forms;

When do the forms go into effect?

- This Rate Manual contains the rates, fees and charges approved by the Commissioner of Banking and Insurance for all applications or orders for title insurance received on or after November 1, 2023.
 - This means that all NEW orders received as of Nov 1. must use the new forms.
 - For transactions received on 10/31/23 and earlier, you must still use the old 2006 forms.
 - For example, if you received an order and issued a commitment on 10/31/23, you would use the old commitment, policy, and endorsements.

WHAT'S GONE?

The following forms are withdrawn effective 11/1/2023

- ALTA Commitment for Title Insurance (NJR 3-09)
- ALTA Owner's Policy (6/17/06) (NJR 1-15)
- ALTA Homeowner's Policy (10/17/98) (NJR 1-16)
- ALTA Loan Policy (6/17/06) (NJ Variation) (NJR 2-16)
- ALTA Expanded Coverage Residential Loan Policy (NJR 2-17)
- ALTA Short Form Expanded Coverage Residential Loan Policy (NJR 2-18)
- ALTA Short Form Residential Loan Policy Form (NJR 2-19)

WHAT'S BEEN REVISED? NEW FORMS:

- NJRB 1-17 - 2021 Owner's Policy Form (replaces 2006 Owners)
- NJRB 1-18 - 2021 Homeowner's Policy Form (replaces 1998 Homeowner's Policy)
- NJRB 2-21 - 2021 Expanded Coverage Residential Loan Policy (replaces 2015 Expanded Loan Coverage)
- NJRB 2-22 - 2021 Loan Policy (replaces 2006 Loan Policy)
- NJRB 2-23 - 2021 Short Form Expanded Coverage Residential Loan Policy (replaces NJRB 2-18)
- NJRB 2-24 - 2021 Short Form Residential Loan Policy (replaces NJRB 2-19)
- NJRB 3-10 – Title Commitment (replaces NJRB 3-09)

WHAT'S COMPLETELY NEW?

- NJRB 2-25 - 2021 Residential Limited Coverage Junior Loan Policy
- NJRB 2-26 - 2021 Short Form Residential Limited Coverage Junior Loan Policy

PLUS ~ New Endorsements:

- NJRB 5-184 ALTA 34.1 Identified Exception & Identified Risk Coverage (this is in addition to the ALTA 34)
- NJRB 5-185 New Jersey Solar Endorsement
- NJRB 5-186 ALTA Endorsement 48 Tribal Waivers and Consents
- NJRB 5-187 ALTA Endorsement JR1
- NJRB 5-188 ALTA Endorsement JR2 Future Advance

Forms Review – OP and LP and COMMITMENT

- NOTE:
- **NEW LANGUAGE IS HIGHLIGHTED IN YELLOW**

COMMITMENT SCHEDULES AND JACKET

- Schedule A: The only policy forms available to be issued are the 2021 forms.
- Schedule B, Part II: The existing language that was in the preamble to B II, regarding CCR's that violate federal law, has been removed and replaced with a statement on "Discriminatory Covenants" which reads:
 - Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

STANDARD EXCEPTIONS:

- 1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
- 2. Notwithstanding any provision of the policy to the contrary, any encumbrance, violation, variation, adverse circumstance, **boundary line overlap**, or encroachment (including an encroachment of an improvement across the boundary lines of the Land) affecting the Title that would have been disclosed by an accurate and complete land title survey of the Land.
- 3. Rights or claims of parties in possession of the land not shown by the Public Record.
- 4. Easements, or claims of easements, not shown by the Public Record.
- 5. Any lien or right to a lien on your title, arising now or later, for labor and material not shown by the Public Record.
- 6. No insurance is afforded as to the exact amount of square footage or acreage contained in the property described herein.
- 7. Possible additional taxes and assessments assessed or levied under NJSA 54:4-63.1 et. seq.
- 8. Lien of unpaid taxes for the year _____.
- 9. Subsurface conditions and/or encroachments not disclosed by an instrument of record.
- 10. Title, rights, or claims of the State of New Jersey to any part of the insured premises which is or may be alleged by the State of New Jersey to be, or is hereafter determined to be, salt marsh, tidelands or meadowland of land now or formerly flowed by the mean high tide of the ocean or any bays, rivers, streams, creeks, or their tributaries.
- 11. Covenants, conditions, restrictions and easements which may exist on the land.

POLICY AUTHENTICATION

ALTA OWNER'S POLICY OF TITLE INSURANCE
issued by
STEWART TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

COVERED RISK 2 – OP and LP

2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
- a. a defect in the Title caused by:
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including **by remote online notarization**), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. **the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.**
 - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. **the effect on the Title** of an encumbrance, violation, variation, adverse circumstance, **boundary line overlap**, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, **boundary line overlap**, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.

COVERED RISK 5, 6 and 7 ~ OP and LP ~ Enforcements - Include New Term “Enforcement Notice”

5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but **only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice** that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental **remediation** or protection on the Land.
6. An enforcement of a governmental forfeiture, police, regulatory, **or national security power**, but only to the extent of the enforcement described by the enforcing governmental authority in an **Enforcement Notice**.
7. An exercise of the power of eminent domain, but only to the extent:
 - a. of the exercise described in an **Enforcement Notice**; or
 - b. **the taking occurred and is binding on a purchaser for value without Knowledge.**

COVERED RISK 8. PACA/PSA

~ OP and LP ~

8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.

COVERED RISK 9 (OP) ~ 13 (LP)

Voidable Transfers

OWNER POLICY

9. The Title being vested other than as stated in Schedule A, the Title being defective, or the effect of a court order providing an alternative remedy:
- a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction vesting the Title because that prior transfer constituted a:
 - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
 - ii. voidable transfer under the **Uniform Voidable Transactions Act; or**

LOAN POLICY

13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title, or the effect of a court order providing an alternative remedy:
- a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a:
 - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
 - ii. voidable transfer under the **Uniform Voidable Transactions Act; or**

EXCLUSION 1 - OP and LP

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

EXCLUSIONS - Creditors Rights Exclusion

4 (OP) ~ 6 (LP)

Owner Policy

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the **Uniform Voidable Transactions Act**; or
 - c. preferential transfer:
 - i. **to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value**; or
 - ii. for any other reason not stated in Covered Risk 9.b.

Loan Policy:

6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the **Uniform Voidable Transactions Act**; or
 - c. preferential transfer:
 - i. **to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value**; or
 - li. for any other reason not stated in Covered Risk 13.b.

PACA/PSA Exclusion – 5 (OP) and 7 (LP)

Owner Policy:

5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.

Loan Policy:

7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.

EXCLUSION - Discrepancy in Land ~ 7 (OP) and 9 (LP)

Owner Policy:

7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

Loan Policy:

9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

CONDITIONS - DEFINITIONS OF TERMS

Affiliate: Section a. in the OP and the LP

a. “Affiliate”: An Entity:

- i. that is wholly owned by the Insured;
- ii. that wholly owns the Insured; or
- iii. if that Entity and the Insured are both wholly owned by the same person or entity.

Discriminatory Covenant: Section d. in OP, Section e in LP – ALSO on the revised Commitment

“Discriminatory Covenant”: Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.

Enforcement Notice: Section e. in the OP – Section f. in the LP

“Enforcement Notice”: A document recorded in the Public Records that describes any part of the Land and:

- i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
- ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
- iii. asserts a right to enforce a PACA PSA Trust.

CONDITIONS - DEFINITION OF TERMS (con't)

PACA-PSA Trust: Section l. in the OP – Section q. in the LP

“PACA-PSA Trust”: A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.

Public Records: Section m. in OP, Section r. in LP ~ ALSO on the Revised Commitment

“Public Records”: The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term “Public Records” does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.

State: Section n. in OP, Section s. in LP ~ ALSO on the Revised Commitment

“State”: The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term “State” also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.

CONDITIONS

8 - CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

Both the OP and LP have modified the preamble of this paragraph.

8. **CONTRACT OF INDEMNITY**; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. **This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.**

CONDITIONS - Class Action 18 in OP, 17 in LP and in the Commitment CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING.

CONDITIONS – ARBITRATION

19 in OP, 18 in LP and in the Commitment

18. ARBITRATION

NOTICE:

THIS POLICY CONTAINS AN ARBITRATION CLAUSE. THE COMPANY AND THE INSURED AGREE TO ARBITRATION AND UNDERSTAND AND AGREE THAT, SUBJECT TO THE TERMS OF THE ARBITRATION CLAUSE, THEY ARE BOTH WAIVING THEIR RIGHTS TO MAINTAIN OTHER AVAILABLE RESOLUTION PROCESSES, SUCH AS COURT ACTION OR ADMINISTRATIVE PROCEEDING, TO SETTLE THEIR DISPUTES WHICH ARISE OUT OF OR RELATE TO THE POLICY.

a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“ALTA Rules”). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association (“AAA Rules”). The AAA Rules are available online at www.adr.org.

b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 18. The arbitrator does not have authority to conduct any class action arbitration or arbitration involving joint or consolidated claims under any circumstance.

c. If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 18, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 18.

d. [The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees][Fees] will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any State or federal court having jurisdiction.]

SCHEDULE A – OP and LP and COMMITMENT TRANSACTION IDENTIFICATION DATA

(OWNERS)

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:

[Issuing Agent:]

[Issuing Office:]

[Issuing Office's ALTA® Registry ID:]

[Issuing Office File Number:]

[Property Address:]]

(LOAN)

[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:

[Issuing Agent:]

[Issuing Office:]

[Issuing Office's ALTA® Registry ID:]

[Loan ID Number:]

[Issuing Office File Number:]

[Property Address:]]

SCHEDULE B - EXCEPTIONS – Both OP and LP and Commitment now include this new preamble at the top of the Exceptions Page

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

OWNER POLICY – EXCLUSIONS

3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been **sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser** had been given for the Title at the Date of Policy.

OWNER POLICY - CONDITIONS, Definitions

- “Insured”:
- i. (a). The Insured named in Item 1 of Schedule A;
- (b). the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
- (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
- (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
- (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
 - (1). an Affiliate;
 - (2). a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
 - (3). a spouse who receives the Title because of a dissolution of marriage;
 - (4). a transferee by a transfer effective on the death of an Insured as authorized by law; or
 - (5). another Insured named in Item 1 of Schedule A.

OWNER POLICY - CONDITIONS

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser of:
 - i. the Amount of Insurance; or
 - ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.
- b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as insured:
 - i. the Amount of Insurance will be increased by 15%; and
 - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.

LOAN POLICY – COVERED RISK 9

9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. Covered Risk 9 includes, but is not limited to, insurance against loss caused by:
- a. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - b. the failure of a person or Entity to have authorized a transfer or conveyance;
 - c. the Insured Mortgage not being properly **authorized**, created, executed, witnessed, sealed, acknowledged, notarized (including by **remote online notarization**), or delivered;
 - d. a failure to perform those acts necessary to create an Insured Mortgage by electronic means authorized by law;
 - e. a document having been executed under a falsified, expired, or otherwise invalid power of attorney;
 - f. the Insured Mortgage not having been properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - g. a defective judicial or administrative proceeding; or
 - h. **invalidity or unenforceability of the lien of the Insured Mortgage as a result of the repudiation of an electronic signature by a person that executed the Insured Mortgage because the electronic signature on the Insured Mortgage was not valid under applicable electronic transactions law.**

LOAN POLICY – COVERED RISK 10

10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance on the Title as security for the following components of the Indebtedness:

- a. the amount of the principal disbursed as of the Date of Policy;
- b. the interest on the obligation secured by the Insured Mortgage;
- c. the reasonable expense of foreclosure;
- d. amounts advanced for insurance premiums by the Insured before the acquisition of the estate or interest in the Title; and
- e. the following amounts advanced by the Insured before the acquisition of the estate or interest in the Title to protect the priority of the lien of the Insured Mortgage:
 - i. real estate taxes and assessments imposed by a governmental taxing authority; and
 - ii. regular, periodic assessments by a property owners' association.

LOAN POLICY – CONDITIONS

DEFINITION OF TERMS

1.

c. “Consumer Protection Law”: Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower’s ability to repay a loan.

LOAN POLICY – CONDITIONS

DEFINITION OF TERMS

1. j. “Insured”:

- i. (a). The Insured named in Item 1 of Schedule A or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
 - (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
 - (2). owns the Title after acquiring the Indebtedness;
- (b). the person or Entity who has “control” of the “transferable record,” if the Indebtedness is evidenced by a “transferable record,” as defined by applicable electronic transactions law;
- (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
- (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
- (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;
- (f). an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of the Insured Mortgage; or
- (g). any Government Mortgage Agency or Instrumentality.

LOAN POLICY – CONDITIONS

DEFINITION OF TERMS

j. Insured (continued)

- ii. With regard to Conditions 1.j.i.(a). and 1.j.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- iii. With regard to Conditions 1.j.i.(c)., 1.j.i.(d)., 1.j.i.(e)., and 1.j.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.

- p. “Obligor”: A person or entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Insured Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.

CONDITION 8 – CONTRACT OF INDEMNITY; DETERMINATION & EXTENT OF LIABILITY

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
 - i. the Amount of Insurance;
 - ii. the Indebtedness;
 - iii. the difference between the **fair market value** of the Title, as insured, and the **fair market value** of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
- b.** Fair market value of the Title in Condition 8.a.iii. is calculated using either:
 - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
 - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
- c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured:
 - i. the Amount of Insurance will be increased by **15%**; and

CONDITIONS – REDUCTION OR TERMINATION OF INSURANCE

10. REDUCTION OR TERMINATION OF INSURANCE

- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Amount of Insurance afforded under this policy, except to the extent that the payment reduces the Indebtedness.
- b. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Amount of Insurance.
- c. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company, except as provided in Condition 2.

CONDITIONS – 9

LIMITATION ON LIABILITY

- d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.

Homeowners Policy, ALTA 1-18

- Prior version of the Homeowners Policy was last revised on 2/1/2019, so this new policy form didn't undergo as extensive changes as the 2006 policy form.
- Still only applies to Land with an existing 1-4 family residence and each party named as an Insured must be a natural person.
- Deductibles are still in play and are the same amounts.
- Owner's Information Sheet is eliminated.
- New Covered Risks matches electronic notarization and repudiation of electronic signature, Enforcement Notice. Defined terms include the Discriminatory Covenant, Public Records and State that we've seen previously.

NEW POLICY FORMS

ALTA 2-25 – RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY ~ and ~
ALTA 2-26 – SHORT FORM RESIDENTIAL LTD COVERAGE JR LOAN POLICY

SCHEDULE A

1. The Insured is:
2. Grantee:
3. The Land referred to in this policy is described as follows:

COVERED RISKS

1. The Grantee not being the named grantee on the last document, recorded in the Public Records as of the Date of Policy, purporting to vest the Title.
2. The description of the Land in the Schedule not being the same as that contained in the last document, recorded in the Public Records as of the Date of Policy, purporting to vest the Title.
3. A Monetary Lien recorded in the Public Records as of the Date of Policy.
4. Any ad valorem taxes or assessments of any governmental taxing authority that constitute a lien on the Title and that, as of the Date of Policy, appear in the official ad valorem tax records where the Land is located.

EXCLUSIONS

1. Any invalidity, unenforceability, or ineffectiveness of the Identified Mortgage.
2. Any lien on the Title for real estate taxes or assessments imposed or collected by governmental authority that becomes due and payable after the Date of Policy. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 4.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - a. created, suffered, assumed or agreed to by the Insured Claimant;
 - b. Known to the Insured Claimant, whether or not disclosed in the Public Records;
 - c. resulting in no loss or damage to the Insured Claimant; or
 - d. recorded or filed in the Public Records subsequent to the Date of Policy.

The top of the slide features a background image of modern skyscrapers with glass facades. In the upper right corner, there is a dark red rectangular box containing the Stewart logo and tagline.

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NEW ENDORSEMENTS!

Some endorsements have been revised and some not, so you will see some endorsements still carry the -06 designation and others, the ones that have been revised, do not.

ALTA JR 1 ENDORSEMENT (NJRB 5-187)

- For use ONLY with the ALTA Residential Limited Coverage Junior Loan Policy or the Short Form Residential Limited Coverage Junior Loan Policy
- Insures against loss sustained by reason of a new deed or mortgage recorded subsequent to Date of Policy and prior to Date of Endorsement.
- Charge is \$50.00.

ALTA JR 2 ENDORSEMENT (NJRB 5-188)

- For use ONLY with the ALTA Residential Limited Coverage Junior Loan Policy or the Short Form Residential Limited Coverage Junior Loan Policy
- Applies if the borrower named in the mortgage is the owner at the time an advance is made per the Note; the mortgage secures repayment of future advances; and the policy has been endorsed with ALTA JR 1.
- Insures against loss sustained by reason of a future advance not having the same priority over a monetary lien as the identified mortgage; the invalidity or unenforceability of mortgage resulting from changes in interest rate; loss of priority of mortgage as result of changes in interest rate.
- Must be used if you are insuring a HELOC as a junior lien.
- Charge is \$25.00.

SOLAR ENDORSEMENT – NJRB 5-185

- Insures against loss or damage sustained by Insured in the event the Solar Contract results in loss of priority, invalidity or unenforceability of the insured mortgage;
- Defines “Solar Contract” by its recording information;
- Defines “System” as the system on the Land that is the subject of the Solar Contract;
- Only applies to 1-4 family residential;
- Specifically does NOT insure that the Solar System is part of the Land or is encumbered by the lien of the Insured Mortgage;
- Excludes Losses for:
 - Diminution in Value;
 - Rights of Ingress and Egress to the System
 - Damage to or diminution in value of the Land arising out of the installation maintenance, lack of maintenance, or removal of the System.
- Charge is \$50.00

ALTA 48 TRIBAL WAIVERS AND CONSENTS ENDORSEMENT – NJRB 5-186

- The Tribe name must be specifically identified
- The Tribe
 - Waives sovereign immunity from suit and any defenses based thereon;
 - Waives any defense due to failure to exhaust remedies in the courts of the Tribe;
 - Consents to jurisdiction in federal court and identified state courts;
 - Consents to venue in federal court and identified state courts.
- If the insured is an entity in which the Tribe has an ownership, the insured:
 - Waives any sovereign immunity from suit and any defense based thereon;
 - Waives any defense due to failure to exhaust remedies in the courts of the Tribe;
 - Consents to jurisdiction over the Insured in the federal courts and identified state courts;
 - Consents to venue for the Insured in the federal courts and identified state courts.
- An authorized representative of the Tribe must sign this endorsement.
- No Charge for This Endorsement

ALTA 34.1 – IDENTIFIED EXCEPTION & IDENTIFIED RISK COVERAGE – NJRB 5-184

Similar to ALTA 34 – It's intended to provide coverage over something that would otherwise be excepted. You must complete the endorsement by filling in the Exception # of item and complete the blank space the explains the Risk.

Charge for this endorsement is \$25.00 unless the risk involves special risk or unusual hazard, in which case the charge will be commensurate with the undertaking as per Section 3.1.5 of the NJ Rate Manual.

ALTA 34 and ALTA 34.1: SIDE BY SIDE

ALTA 34

1. As used in this endorsement “Identified Risk” means: [insert description of the title defect, restriction encumbrance or other matter] described in Exception _____ of Schedule B.
2. The Company insures against loss or damage sustained by the Insured by reason of:
 - A final order or decree enforcing the Identified Risk in favor of an adverse party; or
 - The release of a prospective purchaser or lessee of the Title or lender on the Title from the obligation to purchase, lease, or lend as a result of the Identified Risk, but only if
 - there is a contractual condition requiring the delivery of marketable title, and
 - neither the Company nor any other title insurance company is willing to insure over the Identified Risk with the same conditions as in this endorsement.
3. The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of the Title by reason of the Identified Risk insured against by Paragraph 2 of this endorsement, but only to the extent provided in the Conditions.
4. This endorsement does not obligate the Company to establish the Title free of the Identified Risk or to remove the Identified Risk but if the Company does establish the Title free of the Identified Risk or removes it, Section 9(a) of the Conditions applies.

ALTA 34.1

1. As used in this endorsement, the following terms mean:
 - a. “Identified Exception”: Exception _____ of Schedule B.
 - b. “Identified Risk”: The consequences specified below that may result from the exercise or enforcement of the matter described in the Identified Exception:
 - _____
2. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. the exercise or enforcement of an Identified Risk specified in Section 1.b. by an adverse party; or
 - b. the release of a prospective purchaser or lessee of the Title or a lender on the Title from the obligation to purchase, lease, or lend, as a result of the Identified Risk arising out of the Identified Exception, but only if:
 - i. there is a contractual condition requiring the delivery of marketable title; and
 - ii. neither the Company nor any other title insurance company will insure over the Identified Risk with the same coverage as in this endorsement.
3. This endorsement does not obligate the Company to establish the Title free of the Identified Exception or to eliminate the Identified Risk. The Company does not assume any liability for loss or damage arising out of the Identified Exception other than the Identified Risk. If the Company establishes the Title free of the Identified Risk, Condition 9.a. of the policy applies.

REVISED DOCUMENTS and ENDORSEMENTS NJ STATE ONLY

- NJRB 5-01 NJ Survey Endorsement
- NJRB 5-09 NJ US Postal Service Endorsement
- NJRB 5-10 NJ Special Construction Loan Policy End.
- NJRB 5-23 NJ Convertible Adj. Rate Mortgage Loan End.
- NJRB 5-31 NJ Balloon Mortgage Endorsement
- NJRB 5-32 NJ Secondary Mortgage Market Endorsement
- NJRB 5-33 NJ Reverse Annuity Endorsement
- NJRB 5-37 NJ Lender's Survey Endorsement No Survey
- NJRB 5-48 NJ Mortgage Assignment – Policy Update End.

NJ STATE ONLY - CONTINUED

- NJRB 5-51 NJ Fairway (Partnership) Endorsement
- NJRB 5-52 NJ Fairway (LLC) Endorsement
- NJRB 5-57 NJ Application of Mortgage Payments Last Dollar
- NJRB 5-65 NJ Modifiable Mortgage Option Endorsement
- NJRB 5-66 NJ Successors and Transferees Endorsement
- NJRB 5-128 NJ Waiver of Arbitration Endorsement
- NJRB 5-163 NJ Option Endorsement
- NJRB 5-164 NJ Survey Endorsement w/o Survey Condo

ALTA REVISED DOCUMENTS

- NJRB 6-07 NJ Closing Protection Letter
- ALTA 3 Zoning
- ALTA 3.1 Completed Structures
- ALTA 3.2 Zoning Land Under Development
- ALTA 3.3 Zoning Completed Improvement – Non-Conforming Use
- ALTA 4.1 Condominium - Current Assessments
- ALTA 6 Variable Rate Mortgage
- ALTA 6.2 Variable Rate Mortgage - Negative Amortization
- ALTA 8.1 Environmental Protection Lien
- ALTA 10 Assignment
- ALTA 10.1 Assignment and Date Down

ALTA REVISED DOCUMENTS (continued)

- ALTA 11 Mortgage Modification
- ALTA 11.1 Mortgage Modification with Subordination
- ALTA 11.2 Mortgage Mod with Additional Amount of Ins
- ALTA 12 Aggregation – LP
- ALTA 12.1 Aggregation – State Limits - LP
- ALTA 14 Future Advance – Priority
- ALTA 14.1 Future Advance – Knowledge
- ALTA 14.2 Future Advance – Letter of Credit
- ALTA 14.3 Future Advance – Reverse Mortgage

ALTA REVISED DOCUMENTS(continued)

- ALTA 23.1 Co-Insurance, Multiple Policies
- ALTA 26 Subdivision
- ALTA 28.1 Encroachments – Boundaries and Easements
- ALTA 30 One to Four Family Shared Appreciation
Mortgage Endorsement
- ALTA 30.1 Commercial Participation Interest



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Thank You!

Questions?

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