



Dear Stewart Partners,

Thank you for joining us again this week. It's hard to believe we are halfway through November and that Thanksgiving is right around the corner. Please note Stewart's offices will be closed on Thursday and Friday of next week to allow our employees to enjoy the holiday with their family and friends.

In this week's Mid-Week Update, we are providing a link to Stewart's updated bulletin concerning closing transactions with Mr. Cooper. Further, for those agents involved in commercial transactions, and are frequently being asked to provide a zoning endorsement to policies being issued, we've provided a basic overview of the available endorsements. Lastly, we wanted to share with you information on a free "Economic Forecast" webinar that was recently presented by Fannie Mae's Senior Vice President and Chief Economist Doug Duncan.



Bulletin SLS2023017: Underwriting – Mr. Cooper Security Incident – update (Nov. 10, 2023)

As most know, Mr. Cooper experienced a cybersecurity incident which temporarily halted the ability of customers to access accounts and limited the ability of Mr. Cooper to provide payoff statements, among other service interruptions. As of last Friday, we were informed Mr. Cooper's systems were able to generate and provide payoff statements. Based on that information, Stewart revised its previously issued guidance and permitted agents to insure a transaction that involved a Mr. Cooper payoff, subject to receiving a payoff statement and confirming the payment instructions, as would be required for any payoff in the normal course.

To view the bulletin, follow this link: [Mr. Cooper Cyber Security Incident - UPDATE](#)

As a reminder, verification of payment delivery instructions is a necessary step which must be taken in every instance when funds are being disbursed. Wire misdirection fraud and payoff fraud scams have increased exponentially in the past few years and real estate transactions – and attorneys who handle the funds in those transactions – are prime targets. If you have any questions about these scams and what you can do to limit exposure, please reach out to your Stewart Account Representative or underwriter.



Zoning Endorsements

Commercial transactions often involve requests by counsel for the lender or buyer for several endorsements to the title insurance policies. One of those categories of endorsements is zoning endorsements, which provide coverage for loss or damage sustained by the insured for certain zoning matters.

In recent years, the number of available zoning endorsements has increased. There are now five different types of zoning endorsements, as follows:

ALTA 3-06 or ALTA 3 (Zoning – Unimproved Land). This endorsement provides insurance of the applicable zoning classification and authorized use of the land. It is designed for issuance on unimproved property.

ALTA 3.1-06 or ALTA 3.1 (Zoning - Completed Structure). This endorsement is designed for issuance on improved property. Similar to the ALTA 3-06, the endorsement insures the zoning classification, and authorized uses under that classification. However, the 3.1 endorsement also adds coverage for a final court order prohibiting the present use of the structure, or requiring removal or alteration of the present structure because of violation of the zoning ordinance as to area, floor space, number of parking spaces, and the like.

ALTA 3.2-06 or ALTA 3.2 (Zoning - Land Under Development). This endorsement is designed for issuance on improved property or land for which plans have been approved but work has either not yet begun or is in process. As with the ALTA 3 and the ALTA 3.1 endorsements, this endorsement insures the zoning classification and authorized uses under that classification. The endorsement provides additional coverage for loss or damage in the event a court order requires removal or alteration of an improvement or prohibits the proposed use, if the project is completed in accordance with the plans provided to the municipality in seeking out the zoning approval.

ALTA 3.3-06 or ALTA 3.3 (Zoning - Completed Improvement – Non-Conforming Use). This endorsement is designed for issuance on land improved with an existing building where there is known non-conforming use – sometimes referred to as a “grandfathered” use since the use was in existence prior to the zoning ordinance being adopted, or the use was legal under prior versions of the zoning ordinance.

ALTA 3.4-06 or ALTA 3.4 (Zoning - No Zoning Classification). This endorsement is designed for issuance on land improved with an existing building or structure where there is no zoning classification.

Please note the zoning endorsements ending in “-06” are designed to be issued with a 2006 ALTA loan or owner's policy; those endorsements that do not have the “-06” suffix should be issued with the 2021 policies.

You can view all of these endorsements on Stewart’s Virtual Underwriter website at VirtualUnderwriter.com. In the search box at the top right, select “Forms” in the drop-down menu, and type the word “zoning” in the search box, then click “find.” On the left-hand side of the webpage, click on “American Land Title Association” under Organizations.

Each of the endorsements also has a link to the issuing guidelines. The guidelines provide you with an explanation of what additional information must be obtained and reviewed, in addition to the standard title search, in order to issue the endorsement.

There may be additional requirements to issue these endorsements, which differ from state to state. If you have any questions regarding whether a zoning endorsement can be issued, which form to use, or how the endorsement should be completed, please reach out to your local underwriting counsel for assistance.



2023 Economic Forecast Series from October Research: Year-End Insights with Doug Duncan

Last month, October Research presented a webinar featuring Doug Duncan, Fannie Mae's Senior Vice President and Chief Economist. To find out what Doug predicts the housing market can expect in the fourth quarter of 2023 and the coming year, you can watch the webinar by following this link:

[2023 Economic Forecast Series: Year-end Insights with Doug Duncan | The Legal Description](#)



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