



New England Regional Midweek Update
8/6/2025

Dear Stewart Partners,

It's hard to believe it's already August. We hope you have all been able to enjoy some time off or will be taking some time off to relax and enjoy summer before it's over. In this week's Mid-Week Update we are providing you with information on how to avoid mortgage payoff shortfalls with equity lines of credit as well as how to spot red flags in title commitments.

We're also providing links to several recently issued Bulletins as well as a Special Alert. You will also find information on Stewart's upcoming education and NELTA's Annual Convention that will be held in New Haven, Connecticut September 7 through September 9, 2025.



Avoiding Equity Line of Credit Payoff Pitfalls By Rhonda L. Duddy, Esq., Massachusetts and New Hampshire Underwriting Counsel

Home equity line of credit mortgages (HELOC) are more commonly susceptible to a mortgage payoff shortfall. The shortfall can be caused when equity lines of credit are not properly closed and the seller draws money on the line of credit after the payoff letter was obtained. As a result, the payoff letter that is relied on at closing is not accurate and the mortgage is not released. Further, if the HELOC isn't closed by the lender after receipt of the payoff funds, the lender's mortgage will continue to encumber the property and the borrower remains able to draw on the account post closing. A typical provision in a HELOC mortgage is the requirement that the borrower provide notice to the lender to freeze or close the account in order for the mortgage to be discharged upon a payoff.

In order to prevent line of credit payoff shortfalls, the account should be frozen when the payoff statement is requested. A frozen account will prevent the seller from drawing any additional sums from the line of credit. Stewart's Virtual Underwriter has a form you can use for this purpose. You can access the form here: [STG Request to Cancel Revolving Credit Loan 1994](#) Please note only the borrower can close the line of credit.

You must also review the payoff statement carefully and reconfirm the payoff amount on the day of closing. Further, the borrower should sign an affidavit and indemnity relative to the revolving line of credit, certifying that the borrower has not drawn additional funds since the payoff was provided and agree not to draw on the account post-closing. This form can be accessed here: [STG Affidavit - Revolving Credit Loan and Personal Undertaking 1994](#).

Also, when preparing a Commitment, the Commitment should reflect that the mortgage is an equity line of credit that must be closed so that no further advances can be made.

As with any mortgage that is paid, post closing discharge tracking is important. An early indicator that the lender has not closed the line of credit is the failure of the lender to record a discharge of the mortgage with the Registry of Deeds. If you discover that the discharge has not been recorded after 30-60 days, you should follow up with the lender. If you discover that the line remains open and a balance is due and therefore cannot be discharged by the lender, please call your Stewart Underwriter.

Stewart has issued a number of state and national bulletins relative to equity lines of credit. To read the national bulletin, which contains links to the state bulletins, forms, and other relevant information in Virtual Underwriter, follow this link: [Paying Off Line of Credit Mortgages](#)



Red Flags in a Title Commitment – How to Spot and Resolve Them Early By: Eileen C. O'Shaughnessy, Esq., Rhode Island Underwriting Counsel

A title commitment is more than a routine closing document — it's a roadmap to a transaction's potential pitfalls. Understanding how to identify and address red flags early can save time, money, and even prevent a deal from falling apart.

A title commitment is the title insurer's agreement to issue a title insurance policy once certain conditions are met. It's typically divided into three main sections:

- **Schedule A** – The basic facts of the transaction, such as the legal description, current owner, and proposed insured.
- **Schedule B-I (Requirements)** – Items that must be addressed before closing, like releases of existing liens, recording of documents, or payment of taxes.
- **Schedule B-II (Exceptions)** – Matters that will not be covered by the title policy, such as easements, restrictions, and rights of others.

Each section can contain hidden clues to potential problems.

Common Red Flags and How to Spot Them

1. Ownership Discrepancies

If Schedule A lists an owner's name that doesn't match the seller on the title order or Purchase and Sale Agreement, it's a warning sign. This could indicate an incomplete transfer, a name change, or even a probate issue. It might even suggest seller impersonation fraud is afoot.

Tip: Verify the chain of title and request corrective deeds if needed.

2. Outstanding Liens or Mortgages

Unreleased mortgages, judgment liens, or unpaid taxes in Schedule B-I must be cleared before closing.

Tip: Obtain payoff statements early and confirm satisfaction or release documents are or will be recorded.

3. Easements and Encroachments

Easements listed in Schedule B-II can affect property use — especially utility, access, or shared driveway rights.

Tip: Review surveys and recorded plats to understand the scope of each easement.

4. Restrictions and Covenants

CC&Rs (covenants, conditions, and restrictions) can limit property use, restrict building types, or impose HOA rules and fees/assessments.

Tip: Obtain and review the full text of restrictions, not just the summary.

5. Probate, Divorce, or Heirship Issues

When a property was recently inherited or involved in divorce, title can be clouded by unrecorded or disputed ownership rights. Estates may be subject to Estate Tax Liens.

Tip: Request probate orders and divorce decrees early. File for discharges of Estate tax Liens as early as possible since these may take some time to obtain.

Why Early Review Matters

Waiting until closing to address title issues can delay or derail a deal. By reviewing the title commitment as soon as it's issued — and working closely with the title agent, lender, and attorneys — you can resolve problems before they become urgent. Buyers can be running up against rate locks, sellers and buyers can have tight timelines for moving from one home to another.

Proactive Steps to Prevent Surprises

- Read all three sections of the title commitment thoroughly.
- Ask questions immediately if anything is unclear.
- Request complete copies of underlying documents for all exceptions.
- Engage experienced professionals as needed — title issues often require legal or survey expertise.

Bottom Line:

A title commitment isn't just a checklist for the title company — it's a tool for protecting your transaction. The earlier you identify and address red flags, the smoother your closing will be.



Recently Issued Stewart Bulletins and Alerts

NH2025001-Legislative Update: On August 1, 2025, Stewart issued Bulletin NH2025001 directed at New Hampshire issuing offices. The bulletin describes recently enacted legislation in New Hampshire which prohibits ownership of real property by certain

individuals, entities, and countries. To read the complete bulletin, follow this link:

[NH2025001](#)

SLS2025007-Claims Avoidance: On July 31, 2025, Stewart issued Bulletin SLS2025007 directed at all issuing offices, which highlighted a recent mortgage-fraud pattern involving LLCs. The fraud has been detected by Fannie Mae in New Jersey and neighboring states. To read the full bulletin follow this link: [SLS2025007](#)

SA2025226 – Special Alert, On July 30, 2025, a Special Alert directed at all issuing offices, regarding Timothy D. Stevens. In case you missed it, you can review the bulletin here: [SA2025226](#)



Upcoming Education

New Hampshire Webinar – August 13, 2025

Please join us for a New Hampshire webinar on August 13th. Michelle Radie-Coffin, New Hampshire State Counsel and State Manager, will be discussing mechanic's liens. To register, please follow this link: [Register Here](#)

2025 NELTA Annual Convention – September 7-9, 2025, New Haven Connecticut

The New England Land Title Association (NELTA) Annual Convention is being held in New Haven, Connecticut from September 7 through September 9, 2025. The deadline to register for a discounted conference rate and reserve a discounted hotel room is August 17, 2025. Continuing education credits have been applied for in Connecticut, Maine, New Hampshire, Vermont, and Rhode Island.

You can find information on registering for the conference and hotel, along with the schedule of events, at NELTA's website here: <https://nelta.org/event/25ACAttReg>



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