

Title

FREQUENTLY ASKED ^ QUESTIONS

February 2013

Q We have issued a commitment in connection with a cash purchase. The buyer has requested a Closing Service Letter. May we issue one?

A Yes if the proposed insured is purchasing a one to four family dwelling which is to be his/her/their principal residence.

The Closing Service Letter (NJRB 6-04) which is currently approved by the NJ Department of Banking and Insurance for use by Rating Bureau members (including Old Republic) contains the following provision:

If you are a purchaser of a one to four family dwelling, including a condominium unit, which is your principal residence and are paying cash for the purchase, you are protected, but only to the extent of the foregoing paragraph 2.

Paragraph 2, to which the paragraph refers, provides coverage as set forth in the letter related to fraud or misapplication in handling the buyer's funds.

Because of this provision, it is recommended that any title commitment issued for the cash purchase of a one to four family residence in which the buyer intends to reside as his/her/their principal residence should include the following on Schedule BII:

NOTE: A Closing Service Letter is available for \$75.00. Please contact issuing agent prior to closing to review a copy of a Closing Service Letter and to obtain this coverage.

As always, feel free to address any questions to a member of our underwriting staff.