

# Title

## FREQUENTLY ASKED ^ QUESTIONS

September 2011

**Is the “standard” parties in possession exception enough when we are insuring a title which is coming out of a final judgment of foreclosure?**

No. In these cases the “parties in possession” exception must be expanded to cover “holdover” owners (i.e. the owners who have lost title but still remain in possession of the insured premises) as well as tenants whose interests may have been disclosed by a recorded document (deed or lease) which interest was extinguished by the final judgment of foreclosure. Accordingly, the following exception is recommended:

Rights or claims by parties in possession including but not limited to claims of title and/or claims under tenant protection laws.

This exception may be removed upon receipt of an affidavit from the proposed insured that they have personally inspected the property in question and it is vacant.

This “best practice” applies to titles where the proposed insured is the successful bidder at sheriff’s sale at mortgage and tax sale certificate foreclosures as well as the successful plaintiff in foreclosures of tax sale certificates in personam where no public sale is held.

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