

Date: December 16, 2013
To: All Texas Agents
From: David Hays, Vice President/Underwriting Counsel
RE: NOTICE REQUIRED COLLECTION OF GUARANTY ASSESSMENT RECOUPMENT FEE

EFFECTIVE JANUARY 1, 2014 – AGENTS WILL BE REQUIRED TO COLLECT A GUARANTY ASSESSMENT RECOUPMENT FEE

Texas Department of Insurance Commissioner Julia Rathgerber issued an order today that will require all Texas title agents to begin collecting a Guaranty Assessment Recoupment Fee (GARC). Collection of the GARC fee will begin on January 1, 2014, and end on December 31, 2014. Title agents will be required to collect \$1.80 on each owner's and loan policy. Title agents must render the fee to the Texas Title Insurance Guaranty Association on a quarterly basis. Please notify all associates affected by this change and make the appropriate modifications to your closing procedures as of January 1, 2014.

The time for determining the date on which the GARC fee shall be collected is the recording/policy date. If closing occurs at the end of December 2013, but recording/policy date will reflect January 1, 2014, or later, the GARC fee shall be included on the settlement statement.

In addition, settlement statements approved by lenders for a closing scheduled at the end of December, and subsequently postponed and rescheduled for January 1, 2014, or later, must be revised to include the GARC fee and re-submitted to the lender for approval prior to closing.

Finally, please keep in mind that while similar in nature, the GARC fee and the Policy Guaranty Fee are in fact two different fees. The \$2.00 Policy Guaranty Fee is being reduced to \$0.00 simultaneously with the institution of the GARC fee—January 1, 2014. See specific details outlined in Underwriting Bulletin 2013-05 regarding the effective termination of the Policy Guaranty Fee by clicking the following link:

<http://fnti.com/docs/Underwriting%20Bulletins/Underwriting%20Bulletin%202013-05%20Termination%20of%20Policy%20Guaranty%20Fee.pdf>

To view the order or for additional information and background on the establishment of the GARC fee you may visit the TLTA website by clicking the following link:

<http://www.informz.net/informzdataservice/onlineversion/public?mailingInstanceId=1727328>

If you have additional questions, please contact the FNTI Underwriting Department.