

Underwriting Bulletin: UNMO-2024-005

Date: April 4, 2024
To: All Missouri Agents
From: Underwriting Department
RE: **Jackson County, Missouri Records Ransomware Attack**

Update 5.31.2024

As May 22, 2024, the Jackson County, Missouri Recorder of Deeds website shows that the Permanent Index date has moved forward from March 29th. Today the index is reporting that the Permanent Index date is May 30, 2024.

Commitment requirements:

Once the search has been updated, there is no longer a need to raise a requirement related to the ransomware attack, and there is no longer a need to require the Gap Affidavit and the Affidavit of Understanding & Indemnity and Hold Harmless Agreement Due to Jackson County, Missouri Ransomware Attack from transaction parties.

Update 4.16.2024

Although some of Jackson County, Missouri systems are functional, the Jackson County, Missouri Recorder of Deeds has not completely updated its system as indicated on its webpage. The message also states that Jackson County plans on being fully operational next week (April 22-26).

Until that notification is received from Jackson County that all systems are operational and up to date, FNTI requires the same commitment requirements as listed on the original bulletin – see below:

FNTI understands a ransomware attack that has disrupted access to Jackson County, Missouri records.

The ransomware attack has affected access to several Jackson County, Missouri offices, including, but not limited to, the Recorder of Deeds and the Tax Assessor, and their respective websites. There is currently no ability to search Recorder of Deeds or Tax Assessor's records, or record documents.

If you have an existing title commitment based on a search performed within the last 3 months or if you are able to complete a search from a title plant with an effective date between January 1st and the present, the Company is willing to insure transactions which are currently in process, subject to requirements in this Bulletin. You may continue to process new orders if you have the ability to search.

If you do not have an existing title commitment based on a search performed within the last 3 months and are unable to complete a search from a title plant with an effective date between January 1st and the present, do not open a new order, produce a title commitment, or close and insure the transaction.

These conditions are temporary and will only be applicable through May 3, 2024 unless extended or modified, in writing, by subsequent Bulletins.

Commitment Requirements:

Until all issues related to the ransomware attack have been resolved, please add the following requirement to any affected commitment (as describe above) involving a Jackson County, Missouri property or search:

The Company has been advised about a ransomware attack affecting access to several Jackson County, Missouri offices, including, but not limited to, the Recorder of Deeds and the Tax Assessor. Once these issues have been resolved, the Company will require an updated search and reserves the right to make additional requirements and/or exceptions as we may deem necessary.

Note: Due to a ransomware attack, the Jackson County, Missouri Recorder of Deeds is currently unable to record documents.

AND

The Company must be provided with its standard form of indemnity (GAP Indemnity) for defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records or attaching subsequent to the Commitment Date but prior to the date of recording of the instruments under which the Proposed Insured acquires the estate or interest or mortgage covered by this commitment.

In addition, the Company must be provided with its Affidavit of Understanding & Indemnity and Hold Harmless Agreement Due to Jackson County, Missouri Ransomware Attack.

In addition, include the following requirement if you cannot confirm that all taxes and special assessments through 2023 have been paid:

The Company reserves the right to make additional requirements with respect to unpaid taxes and special assessments, if any, once it is able to obtain information from the Jackson County, Missouri Tax Assessor.

If closing takes place prior to completion of our tax and special assessments search, the policy may be issued subject to prior years taxes.

The Company is willing to rely on acceptable proof of payment of real property taxes and special assessments (such as a paper or online receipt).

CLOSING REQUIREMENTS:

If possible, encourage the parties to postpone closing until access to Jackson County, Missouri records has been completely restored and the documents are able to be recorded. If the transaction must close immediately, please proceed as set forth in this Bulletin.

Do not close any transaction in excess of \$2 Million without obtaining underwriting approval.

The seller(s) and buyer(s) in a sale and purchase transaction and the borrower(s) in a refinance transaction must execute and deliver a Gap Indemnity (attached hereto) as a condition of closing.

Insofar as the inability to record and resulting delay in recording may be inconsistent with the provisions of closing instructions (i.e., a requirement to record documents within a specified timeframe), the lender or parties whose instructions with which you may not be able to comply should be contacted for direction prior to closing or settlement.

If the transaction involves a loan, the lender must instruct the settlement agent in writing to disburse its loan proceeds prior to recording of the deed of trust. In addition, the lender must acknowledge, in writing, that:

- a. notwithstanding lender requirements to the contrary, the lender will not receive recordation information for its deed of trust until the Jackson County, Missouri Recorder of Deeds has recorded the deed of trust in the Land Records,
- b. neither Title Agent nor First National Title Insurance Company can provide an estimate as to the date of recordation of the deed of trust or other title documents in the Land Records,
- c. among other things, lender may not be able to sell, assign, modify or foreclose the deed of trust until the date that the deed of trust is recorded in the Land Records, and
- d. the lender will not receive its loan policy of title insurance until the insured deed of trust is recorded.

If you have the ability to record electronically, we recommend doing so to put the document in the recording cue. Retain the executed original documents to be recorded in a secure, locked, and fireproof place. Make sure you have a tickler or other reminder system in place to check that the documents are recorded as soon as the Recorder of Deeds is able to accept recordings again.

When you update the file prior to recording, if you discover intervening matters, please contact Underwriting before recording.

If you have a transaction that has already closed on or after April 2, 2024, and you were unable to record, likewise, retain the executed originals in the same manner and contact Underwriting if you discover intervening matters in your run-to-date.

Thank you for your patience and understanding while we navigate these issues. Please contact your Agency Manager or Underwriting if we can provide any additional guidance and/or if you learn of other issues affecting Jackson County, Missouri records.

FNTI appreciates your business and is here to help!

This Underwriting Bulletin becomes a part of the principles and practices with which you are to comply under the terms of your Underwriting Agreement with First National Title Insurance Company. Should the content of this bulletin address the closing and escrow function, this information should be considered a directive and part of the principles and practices if non-compliance would result in liability to FNTI under either the insured closing service letter or policy of title insurance notwithstanding that the Underwriting Agreement does not include the closing and escrow functions of your agency.