

Date: March 7, 2017
To: All Texas Agents
From: Underwriting Department
RE: Title Search and Examination Guidelines

This Bulletin provides requirements and guidelines when utilizing a prior title insurance policy as a basis for the search and examination. The Texas Department of Insurance requires an agent's abstract plant to have a beginning date not later than January 1, 1979.

General Guidelines

A search from sovereignty, or the beginning date of the abstract plant, is the best practice for title agents in the State of Texas. Mineral reservations/exclusions, easements, covenants/conditions, and matters for surveys should be searched/examined and appropriate Schedule B exceptions taken accordingly. (No assumption can be made that a full mineral search was conducted for the issuance of any prior policy.) Title search and examination may be conducted based upon a previously issued title insurance policy under the following conditions:

Residential Platted Subdivision Property

- Obtain a complete copy of the owner's title policy (OTP), T-1 or T-1R, insuring the current owner of the property and retain same as part of the permanent guaranty file.
- Begin the title search and examination 90 days prior to the date of the OTP for the property insured by a currently licensed title underwriter in Texas.
- Include all Schedule B exceptions from the prior policy on Schedule B of the commitment. If any Schedule B exceptions have been satisfied/released/terminated, they may be omitted. Should an examiner have any questions about the satisfaction/release/termination of any Schedule B exception, contact underwriting counsel at your earliest convenience.
- Refer to and review UW Bulletin 2016-02 regarding suspicious documents, located at <https://fnti.com/agents/bulletins/underwriting-bulletins/>, and make Schedule C requirements as appropriate.
- Conduct name search(es) on the owner(s) as reflected in the obtained prior OTP and any subsequent owner(s) for 20 years; other name searches may begin 90 days prior to the date of said prior OTP.
- If the prior OTP is not available, but a base file on the subdivision (and section) in which the property lies is part of the examining agent's title plant:

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.

- ❖ Reliance may be made upon the base file and the recorded plat to determine easements, restrictions, minerals, and other general matters that affect title to the subject property.
- ❖ Begin the title search/examination from the date of the base file or January 1, 1979, whichever is shorter.
- ❖ If there has been an additional subdividing of the subject property to be insured subsequent to the date of the base file, the title search/examination is to include the subdividing instruments and documentation. Add any applicable exceptions pertinent to the subdividing or division of the subject lot.
- ❖ Conduct name searches for all parties in the chain of title for the previous 20 years

Commercial Property or Farm/Ranch Property

- Obtain a complete copy of the owner's title policy (T-1) insuring the current owner of the property and retain same as part of the permanent guaranty file.
- Begin the title search and examination 90 days prior to the date of the OTP for the property insured by a currently licensed title underwriter in Texas.
- Include all Schedule B exceptions from the prior policy on Schedule B of the commitment unless, of course, those have been satisfied/released/terminated.
- Refer to and review UW Bulletin 2016-02 regarding suspicious documents, located at <http://fnti.com/underwritingbulletins.html>, and make Schedule C requirements as appropriate.
- Conduct name search(es) on the owner(s) as reflected in the obtained prior OTP and any subsequent owner(s) for 20 years; other name searches may begin 90 days prior to the date of said prior OTP.

General Comments

Any title report or commitment provided to the title examination department may be used as a reference but may not be relied upon as the beginning date of the agent's search and examination.

No assumption may be made that a full mineral search was conducted as part of the issuance of the OTP used and relied upon as the beginning of the search/examination process.

Mineral search and exam must begin on January 1, 1900, with appropriate Schedule B exceptions taken for all mineral deeds/reservations/leases to accommodate any request to delete any applicable Procedural Rule P-5.1 exception.

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.