

Date: October 27, 2020

To: All Texas Agents

From: FNTI Underwriting Department

RE: Breach of Parker County Records Management System

FNTI will continue to insure Parker County transactions that close despite the temporary inability to record the documents due to the recent breach of the counties electronic records management system.

This is subject to the following conditions:

1. Seller and Buyer/Borrower must execute an Escrow Closing Acknowledgement, a sample of which can be downloaded [here](#). This form requires the parties to acknowledge their understanding that the title company is closing without the most current title search and/or without the ability to immediately record the documents pertaining to their transaction. The lender must be placed on notice of the agent's inability to record immediately and that the Loan Policy of Title Insurance will not issue until all payoffs have been remitted and all required instruments have been recorded.
2. The seller and/or Buyer/Borrower(s) must execute a Nothing Further Affidavit and Indemnity, a sample of which can be downloaded [here](#). This form requires sellers and buyers/borrowers to certify that they have had no liens, involuntary liens (such as judgments, child support liens, mechanic lien claims or federal tax liens) and/or bankruptcies or lawsuits and lis pendens or divorce decrees filed against them and/or instituted by them in the last 60 days.
3. The transaction may not be a construction loan and/or an Interim going into Perm. In these situations, please contact an Underwriter for specific guidance.
4. The policy amount will not exceed One Million Dollars (\$1,000,000.00).

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.

5. FNTI will insure on title evidence that is not more than 30 days prior to the closing date.

FNTI is dedicated to partnering with and assisting our agents in continuing to transact business while the county resolves this issue. We are prepared to act quickly and with flexibility in communicating solutions and providing support to our agents. Should you have any questions, comments, or concerns regarding this bulletin or any other business practice concerns during this time, please do not hesitate to contact any FNTI team member.

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ACKNOWLEDGEMENT OF ESCROW CLOSING
DELAYED RECORDING OF DOCUMENTS
INDEMNITY AND HOLD HARMLESS

Date: _____

GF No. _____

Referenced Transaction: _____ (“Seller”) to _____ (“Purchaser”)

Lender: _____

Property Address: _____

The undersigned parties to the above-referenced transaction hereby acknowledge that the title company will not be able to immediately record the documents pertaining to their real estate transaction, including but not limited to Deeds, Deeds of Trust and Releases of Lien, due to the closure of the County Recorder’s office and/or operations.

The Seller, Purchaser, Borrower and/or Lender, as the case may be, have requested that Escrow Agent close the referenced transaction and retain the unrecorded documents in escrow. The parties desire to execute the legal documents, settlement statement or Closing Disclosure for the referenced transaction but agree to the delayed completion of the closing by recordation of the real estate documents until Escrow Agent is able to make the necessary filings at the County Recorder’s office.

The Seller, Purchaser and/or Borrower (**specifically excluding the lender**) hereby agree to indemnify and hold harmless the title company and its underwriter-in-interest from and against any and all consequences, expense, costs, liability, damages, interest, penalty and/or attorney fees that may arise in connection with and/or relating to the closing of the referenced transaction and retaining the real estate documents in escrow per their request and/or any liability or increased expense arising as a result of any delay in the completion of closing of the referenced transaction by recordation of the real state documents.

The Lender hereby agrees that the Loan Policy of Title Insurance will not issue until the real estate documents being held in escrow are recorded at the County Recorder's Office.

NOTHING FURTHER AFFIDAVIT AND INDEMNITY

(Agent **must** obtain signed affidavit and indemnity from **all** Sellers and Buyers/Borrowers)

Date: _____

Guaranty File: _____

Indemnitor: _____

Property Address:

Indemnitor has requested First National Title Insurance Company (“FNTI”) to issue policy(ies) of title insurance and/or title commitment(s) to a proposed insured covering the above describe Property prior to the recording of the deed, mortgage, deed of trust and/or other instruments required to be recorded as part of the insured transaction (collectively referred to hereinafter as the “Closing Documents”) without taking exception in the policy(ies) to instruments that are recorded, or matters which may arise, between the Effective Date on the title commitment last issued to the proposed insured and the actual time and date of recording of the Closing Documents (“Gap Period”), which instruments and/or matters may be an encumbrance on or affect title to the Property.

NOW, THEREFORE, in consideration of FNTI issuing its policy(ies) of title insurance or title commitment(s) as of the date of recording of the Closing Documents without taking exception to matters which may arise during the Gap Period, Indemnitor hereby affirms and/or agrees: 1) that Indemnitor has had no liens, involuntary liens (such as judgments, child support liens, mechanic lien claims or federal tax liens) and/or bankruptcies or lawsuits and lis pendens or divorce decrees filed against them and/or instituted by them in the last 60 days; 2) agrees to promptly remove, release, bond or otherwise dispose of, to the satisfaction of FNTI, in its sole discretion, all liens, encumbrances or other objectionable matters filed or recorded against the Property during the Gap Period, and 3) indemnify, defend and hold FNTI harmless against all claims, costs, losses, liabilities, damages and expenses, including without limitation, attorney’s fees and expenses, arising out of or relating

to all such instruments or matters and the failure to promptly remove, release, bond or otherwise dispose of them, to the satisfaction of FNTI, in its sole discretion.

Executed this _____ day of _____ 20 ____

Indemnitor(s) (Seller(s)):

Sign Name

Print Name

Sign Name

Print Name

Indemnitor(s) (Buyer/Borrower(s)):

Sign Name

Print Name

Sign Name

Print Name

Sworn to before me, by _____ this ____ day of _____, 20 ____.

Notary Public

[ADD ADDITIONAL JURATS AS MAY BE NECESSARY]