

NEW JERSEY LAND TITLE INSURANCE RATING BUREAU

MANUAL OF RATES AND CHARGES

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EFFECTIVE DATE

This Rate Manual contains the rates, fees and charges approved by the Commissioner of Banking and Insurance for all applications or orders for title insurance received on or after August 1, 1997, with amendments through June 30, 2008.

THIS MANUAL IS THE MANUAL OF RATES AND CHARGES OF THE NEW JERSEY LAND TITLE INSURANCE RATING BUREAU, AN UNINCORPORATED ASSOCIATION, OPERATING PURSUANT TO N.J.S.A. 17:46B-46 AS A TITLE INSURANCE RATING ORGANIZATION ON BEHALF OF ITS MEMBERS AND SUBSCRIBERS. THE NEW JERSEY LAND TITLE INSURANCE RATING BUREAU IS DULY LICENSED BY THE COMMISSIONER OF BANKING AND INSURANCE AS A RATING ORGANIZATION. THE RATES AND CHARGES FOR TITLE INSURANCE CONTAINED HEREIN HAVE BEEN APPROVED BY THE COMMISSIONER OF BANKING AND INSURANCE IN ACCORDANCE WITH THE TITLE INSURANCE ACT OF 1974, N.J.S.A. 17:46B-1 ET SEQ., AS AMENDED. NO RATES OR CHARGES FOR TITLE INSURANCE MAY BE MADE BY ANY MEMBER OF THE RATING BUREAU OR ITS AGENTS EXCEPT THOSE CONTAINED OR AUTHORIZED IN THIS MANUAL OR CONTAINED IN DEVIATION FILINGS MADE BY INDIVIDUAL MEMBER COMPANIES AND APPROVED BY THE COMMISSIONER OF BANKING AND INSURANCE.

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1 DEFINITIONS

- 1.1 "Insured" is the party to whom coverage is extended by the terms of the policy.
- 1.2 "Insurer" is a title insurance company which is a member or subscriber of the New Jersey Land Title Insurance Rating Bureau, which is a rating organization or bureau within the meaning of N.J.S.A. 17:46B-46.
- 1.3 "Approved Attorney" means an attorney-at-law admitted to practice in the State of New Jersey who is not an employee of a title insurance company or agent, who is approved by an insurer and upon whose examination of title and report thereon the insurer or agent may issue a policy of title insurance.
- 1.4 "Title Insurance Agent" shall mean a person or entity as defined in N.J.S.A. 17:46B-1(i) and who holds a valid license from the State of New Jersey and a contract with an Insurer to prepare and issue Commitments and Policies on its behalf.
- 1.5 "Preliminary Certificate and Report of Title", "Interim Title Insurance Binder", "Interim Binder", or "Binder" is an approved attorney's preliminary certification of title, which has been duly countersigned by the insurer or agent and represents a commitment to issue a title insurance policy. In no event shall such a binder be used as a substitute for a title insurance policy.
- 1.6 "Commitment", as used herein, is the agreement of an insurer to issue its policy or policies of title insurance to a proposed insured, as owner or mortgagee of an estate or interest in the land described therein, all subject

to the provisions set forth in the Schedules and Conditions and Stipulations of said commitment. The commitment sets forth the requirements, including payment of premium and charges, that must be complied with prior to the issuance of the policy or policies.

- 1.7 "Charges for Title Insurance", as used herein, are all the rates and charges as approved by the Commissioner of Banking and Insurance pursuant to N.J.S.A. 17:46B-41, et seq.
- 1.8 "Examination Charge" is the charge made for the process of abstracting and searching or causing an abstract or search to be made of the appropriate public records for those matters affecting title to a specific parcel of land, examining the results thereof, and issuing a commitment to insure based on such title examination.
- 1.9 "Underwriting Rate" is that charge made by an insurer or its agent for the liability undertaken under the policy and is based on the amount of insurance shown in the policy.
- 1.10 "Settlement Charge" is that charge imposed by an insurer or its agent for attending or conducting a real estate settlement in connection with a real estate transaction in which a title insurance policy or policies are to be issued; *i.e.*, a real estate closing in which the insurer or agent may or may not make disbursements of funds on behalf of the participants, whether or not the settlement takes place by mail or through electronic means, and regardless of the place the settlement occurs. For the purposes of this *Manual*, the words "settlement" and "closing" are intended to be synonymous; references in this *Manual* to "closing" shall be deemed to refer

to “settlement”. “Settlement Charge” excludes “Escrow Service Charge”, as discussed in Paragraph 6.5 of this *Manual*. Specifically, the term “settlement charge” means either “settlement with disbursements charge” or “settlement without disbursements charge”, as those terms are defined below, and in accordance with SECTION 6 of this *Manual*.

- (a) “Settlement with Disbursements Charge” is that charge imposed by an insurer or its agent for attending or conducting a real estate closing which involves making disbursements of funds on behalf of the participants, whether or not the closing takes place by mail or through electronic means, and regardless of the place the closing occurs.
- (b) “Settlement without Disbursements Charge” is that charge imposed by an insurer or its agent for attending or conducting a real estate closing which does not involve making disbursements of funds on behalf of the participants, whether or not the closing takes place by mail or through electronic means, and regardless of the place the closing occurs.

1.11 “Transaction Management Platform Fees” are those fees charged on a per file/transaction basis to the insurer or agent by software vendors to process and post title, settlement and related documents on the internet in order to enable customers, lenders and/or their representatives to access and/or obtain delivery of title, settlement and related documents.

2 METHODS OF OPERATION

- 2.1 "Company or Agent Procedure": Under this procedure the insurer or its agent examines the title and issues its commitment for insurance. In some instances the insurer or agent may perform certain services relating to the closing or settlement. The charges under this procedure shall consist of the applicable fees, charges and rates as contained herein and approved by the Commissioner of Banking and Insurance.
- 2.2 "Approved Attorney Procedure": Under this procedure the approved attorney certifies the title to the insurer or its agent on a preliminary report of title based upon the approved attorney's examination of title. "Examination" for the purpose of this section is the process of abstracting and searching or causing an abstract or search to be made of the appropriate public records for those matters affecting title to a specific parcel of land, examining the results thereof, and reporting such results and conclusions to the insurer or its agent on a preliminary report of title. The insurer or its agent in reliance upon such report may issue an interim binder and the approved attorney may conduct a settlement or closing based upon such report and interim binder. Subsequently, the insurance policy shall be issued by the insurer or its agent based upon the approved attorney's final certificate of title. In certain cases an approved attorney may submit only a final certificate of title to the insurer or its agent, and based upon such certificate the insurer or its agent may issue the title insurance policy. The charge for insurance under this procedure shall be the underwriting rate based on the insurance liability

assumed in the particular transaction and, when applicable, the other approved fees, rates and charges.

3 GENERAL RULES

3.1 OWNER'S INSURANCE - BASIS FOR CALCULATING UNDERWRITING RATES

3.1.1 POLICY ISSUED AT THE TIME OF ACQUISITION OF PROPERTY

The underwriting rate for an owner's policy issued at the time of the acquisition of the property shall be based upon an amount not less than the full consideration, including the aggregate unpaid sum of any mortgage or other assumed liens.

3.1.2 POLICY ISSUED AT A TIME OTHER THAN AT ACQUISITION OF TITLE

When an owner's policy is issued at a time other than at acquisition of title, the applicable underwriting rate shall be based upon at least the then present fair market value of the property as established to the satisfaction of the insurer at the time the owner's policy is issued.

3.1.3 CONVERSION OF ESTATE INSURED

(a) When the insured under a loan policy acquires title to the land by foreclosure or by voluntary conveyance in extinguishment of the debt and the insured requests owner's title insurance, such insured or the designee for the benefit of such insured may be issued an owner's policy, and the rate shall be the applicable underwriting reissue rate up to the face amount of such former policy. The underwriting rate for insurance in excess of the face amount of the former policy shall be determined by the applicable bracket of the basic underwriting rate.

(NOTE: The approved form of loan policy continues the protections

contained therein, as a loan policy, in favor of any insured who acquired all or any part of the estate or interest in the land described in the policy by foreclosure, conveyance in lieu of foreclosure, or other legal manner in discharge of the insured mortgage.)

- (b) When the insured lessee, contract vendee or optionee acquires the fee estate and an owners policy of title insurance or endorsement is requested insuring the acquisition of the fee interest, the rate shall be the applicable underwriting reissue rate up to the face amount of such former policy. The underwriting rate for insurance in excess of the face amount of the former policy shall be determined by the applicable bracket of the basic underwriting rate.

3.1.4 RATES CALCULATED TO WHOLE DOLLARS

All rates under this Manual shall be calculated to the nearest whole dollar amount.

3.1.5 RIGHT TO IMPOSE SPECIAL CHARGES

(a) The underwriting rates for title insurance contained in the underwriting schedules in this Rate Manual apply to the usual or standard title insurance matter, one not involving special risks or unusual hazards. When an insurer is requested to insure a title involving special risks or unusual hazards, such insurance may be issued upon payment of such additional charges as the insurer believes are commensurate with the undertaking.

(b) The examination charges set forth in this Rate Manual contemplate the normal or ordinary examination of title, one not requiring extraordinary time and/or expertise. When an insurer or its agent is requested to conduct an

examination which requires extraordinary time and/or expertise, the said insurer reserves the right to impose additional examination charges commensurate with the work involved.

(c) The closing or settlement charges set forth in this manual contemplate the normal or usual settlement, one not involving an unusually long closing or, in the case of a settlement with disbursements, an unusually large number of disbursement checks. When an insurer or its agent is asked to attend or conduct such a closing or settlement, the insurer or agent may impose an additional charge commensurate with the time and effort involved.

(d) In any of the above situations the applicant and the proposed insured shall be promptly notified of the estimated special charge and granted the opportunity to withdraw the title insurance application or order. Said notification shall indicate that the insured has a right to appeal the imposition of a special charge hereunder to the Commissioner of Banking and Insurance. If the imposition of such special charge is acceptable to an applicant, the applicant shall consent thereto in writing.

(e) The insurer and its agents shall keep and maintain records of each special charge imposed hereunder in order that such charges and the circumstances under which they are imposed may be periodically reported to the Department of Banking and Insurance. In addition, the insurer and its agents shall be prepared, at the request of the Commissioner of Banking and Insurance, to justify each special charge imposed.

3.1.6. CANCELLATION FEE

When an application for title insurance is canceled prior to closing or when

the proposed transaction is not consummated, the cancellation fee shall be the applicable examination charge plus other charges which have been incurred.

3.2 LEASEHOLD INSURANCE - BASIS FOR CALCULATING UNDERWRITING RATE

When title insurance is issued for a leasehold estate, the underwriting rate shall be based upon the amount of insurance selected by the insured according to one of the following methods:

(a) an amount equal to the aggregate of the total rentals payable under the lease; or

(b) the aggregate amount of the total rentals for the six (6) years immediately following the settlement or closing of the lease transaction (on percentage leases, a statement of estimated rent may be used); or

(c) the appraised fair market value of the land and improvements at the time of insuring the premises established by an appraiser acceptable to the insurer (in the case of proposed construction the land and total projected cost of such improvements); or

(d) when insuring an assignment of a leasehold estate, the full consideration for the estate, including all obligations assumed.

3.2.1 SIMULTANEOUS ISSUANCE OF OWNER'S AND LEASEHOLD POLICIES

When owner's and leasehold policies covering the same property are issued simultaneously, the underwriting rate for the leasehold policy shall be thirty percent (30%) of the underwriting rate for the owner's policy up to the

owner's policy liability amount. The underwriting rate for the amount of the leasehold policy exceeding the owner's policy shall be calculated at the applicable underwriting rate in the applicable bracket or brackets.

3.3 MORTGAGE INSURANCE - BASIS FOR CALCULATING UNDERWRITING RATE

3.3.1 UPON CREATION OF MORTGAGE

When title insurance is to be issued to a mortgagee at the time the mortgage is created, the face amount of the mortgage shall determine the underwriting rate.

3.3.2 AFTER CREATION OF MORTGAGE

When title insurance is to be issued after the mortgage has been created and all advances have been made by the mortgagee, the underwriting rate shall be determined by the unpaid principal amount of the mortgage at the time the insurance is issued.

3.3.3 MORTGAGE COVERING REALTY AND PERSONALTY

When a mortgage covers other property (real or personal), the underwriting rate for mortgage insurance shall be based only upon that portion of the mortgage loan attributable to the insured property, including fixtures.

3.3.4 JUNIOR (INCLUDING SECONDARY AND WRAPAROUND) MORTGAGES

(a) When a title insurance policy is issued to a junior mortgagee at the time the junior mortgage is created, the face amount of the junior mortgage shall determine the underwriting rate.

(b) When separate title insurance policies are issued simultaneously

insuring more than one mortgage on the same property, they shall be treated for insurance purposes as a single transaction, and the underwriting rate shall be based upon the aggregate of the face amounts of the mortgages.

(c) When a wraparound mortgage is being insured, the underwriting rate shall be the rate applicable to refinance, recast or substitution loans as to the amount of the then existing indebtedness being wrapped around. As to the additional money secured, the underwriting rate schedule in the applicable bracket or brackets shall apply.

3.4 SIMULTANEOUSLY ISSUED POLICIES - BASIS FOR CALCULATING CHARGE

When a loan title insurance policy or policies are issued to a mortgagee or mortgagees simultaneously with the policy insuring the title of the owner of the fee or leasehold, in the same estate, the underwriting rate shall be the rate applicable to the largest liability or aggregate liabilities and the charge for each simultaneously issued policy shall be \$25.00. In cases where the insurer is requested to issue an Enhanced Coverage policy and a simultaneous standard coverage policy, the Enhanced Coverage policy shall be charged as specified in Section 4.8 of this Manual and the basic, reissue, refinance or modification rate shall be charged for the standard coverage policy for any policy liability in excess of the face amount of the Enhanced Coverage policy, if any. In cases where a mortgage is being refinanced, modified or assigned, and the insurer is requested to issue a simultaneous owner's policy in the same or a lesser amount, the applicable basic or reissue rate shall be applied up to the face amount of the owner's policy,

which shall be at least the present fair market value of the property. The refinance, modification or assignment rate shall be applied to any sum in excess thereof, up to the face amount of the loan policy.

3.4.1. SIMULTANEOUSLY-ISSUED POLICIES – ENDORSEMENT CHARGES

Whenever two or more policies are to be issued simultaneously, as provided in sec. 3.4 or in section 3.3.4, and the insurer is requested to issue the same endorsement for both or all policies, only a single charge shall be made for the issuance of such endorsement, except in those cases in which Sections 3.4 (with respect to enhanced coverage policies), 4.8, 10.37, 10.38 or 10.61 apply or this Manual specifically provides otherwise.

3.5 CO-INSURANCE - BASIS FOR CALCULATING UNDERWRITING CHARGE

3.5.1 CO-INSURANCE - SEVERAL LIABILITY

In a transaction where the aggregate liability assumed is divided severally among two or more insurers from the first dollar, the underwriting charge shall be based upon the aggregate liability assumed by all insurers, with the same being distributed to each insurer in direct proportion its respective share of the aggregate liability assumed.

3.5.2 CO-INSURANCE - JOINT AND SEVERAL LIABILITY

In a transaction where all or part of the aggregate liability assumed is divided jointly and severally among two or more insurers from the first dollar, the aggregate underwriting charge for the liability assumed up to the dollar limit of joint and several liability shall be 120% of the applicable underwriting charge, and the aggregate underwriting charge for co-insurance above the dollar limit of joint and several liability shall be based upon the aggregate

liability assumed by all insurers, and shall be distributed to each insurer in direct proportion to its respective share of the aggregate liability assumed.

4 SCHEDULE OF RATES

4.1 UNDERWRITING RATE SCHEDULES - MINIMUM CHARGE

The minimum underwriting charge in any transaction shall be \$200.00.

4.2 BASIC UNDERWRITING RATE SCHEDULE

The basic underwriting rate for either owner's insurance, leasehold insurance, or mortgage insurance, shall be calculated according to the following rate schedule:

Policy Liability	Rate per \$1,000 or Fraction Thereof
\$0-\$100,000	\$5.25
\$100,001-\$500,000	add \$4.00
\$500,001-\$2 million	add \$2.75
Over \$2 million	add \$2.25

4.3 REISSUE UNDERWRITING RATE SCHEDULE

The following reissue underwriting rates for either owner's insurance, leasehold insurance, or mortgage insurance shall apply only when the insurer is presented at the time of application for insurance with a copy of an owner's policy of title insurance, effective within ten (10) years of the present application, insuring the present owner, and the premises to be insured is identical to or included within the property previously insured. Reissue rates hereunder shall be applicable only to the extent of the prior policy liability.

The underwriting rate for the excess shall be determined by the applicable bracket for the basic underwriting rate. When the property being insured is

a portion of the property previously insured, the prior liability shall be equitably allocated.

REISSUE UNDERWRITING RATE SCHEDULE:

Policy Liability	Rate per \$1,000 or Fraction Thereof
\$0-\$100,000	\$4.25
\$100,001-\$500,000	add \$3.25
\$500,001-\$2 million	add \$2.25
Over \$2 million	add \$2.00

4.4 UNDERWRITING RATE APPLICABLE TO LOT DEVELOPMENT, SUBDIVISION, OR CONDOMINIUM REGIMES

When title insurance has been issued to an owner of a tract of land, an operative builder or condominium developer and such party sells unimproved lots complying with a lot development plan or completed units out of the subdivision or condominium, the reissue underwriting rates and reissue examination charges shall be applicable to the entire amount of the insurance. For the purpose of this section, "lot development" shall mean the subdivision of a contiguous tract of land into a minimum of five parcels for resale as lots; an "operative builder" shall mean one who constructs a group of at least five units on a single tract or series of contiguous tracts; and a "condominium developer" shall mean one who has developed units pursuant to the New Jersey Condominium Act, the New Jersey Horizontal Property Act, or has created a cooperative regime.

4.5 UNDERWRITING RATE APPLICABLE TO DEVELOPMENT OR CONSTRUCTION LOANS

The underwriting rate for a construction loan binder, commitment or policy

of title insurance insuring the priority of a temporary construction mortgage which is to be paid off within three (3) years of the recording of said mortgage shall be \$1.00 for each \$1,000.00 of liability or fraction thereof, payable at the time that insurance liability is incurred. At the end of the said three-year period, said insurance coverage shall terminate. Prior to said termination, the insured may elect to obtain a permanent policy of title insurance. If a mortgagor requests owner's insurance or obtains substitute financing and title insurance is sought from the same insurer, the applicable basic or reissue underwriting charge shall apply except that a credit of \$1.00 per \$1,000.00 of liability of the permanent policy shall be credited against the underwriting charge for that policy. Said credit, however, shall not exceed the amount paid for the three-year construction loan binder, commitment or policy.

The word "binder" as used herein does not refer to the search or examination of title, but to the underwriter's undertaking to insure.

4.6 UNDERWRITING RATES FOR REFINANCE, RECAST OR SUBSTITUTION LOANS, AND MORTGAGE OR LEASEHOLD MODIFICATION AGREEMENTS.

4.6.1 REFINANCE, RECAST OR SUBSTITUTION LOANS

When a refinance, recast or substitution loan is made to the same borrower on the same property, the following rates shall apply to so much of the new policy as represents the face amount of the mortgage or mortgages other than construction loans being refinanced:

Policy Liability	Rate per \$1,000 or Fraction Thereof
\$0-\$100,000	\$2.50
\$100,001-\$500,000	add \$2.25
\$500,001-\$2 million	add \$2.00
Over \$2 million	add \$1.50

The rate to be applied to the liability assumed, if any, over and above that which is eligible for the refinance, recast or substitution loan rate set forth above, shall be calculated using the applicable bracket(s) for the basic and/or reissue underwriting rate(s) as the case may be.

4.6.2 MORTGAGE OR LEASEHOLD MODIFICATION AGREEMENTS

When a mortgage or leasehold modification or extension agreement is executed, the underwriting charge for an endorsement to the existing policy or a new policy insuring the modification or extension agreement shall be based upon the following rates up to the amount of the mortgage or lease being modified, provided that the loan being modified or extended is not a construction loan, and the property is identical to or included within the property previously insured.

Policy Liability	Rate per \$1,000 or Fraction Thereof
\$0-\$100,000	\$1.75
\$100,001-\$500,000	add \$1.50
\$500,001-\$2 million	add \$1.25
Over \$2 million	add \$1.00

The rate to be applied to the liability assumed, if any, over and above that

which is eligible for the mortgage or leasehold modification rate set forth above, shall be calculated using the applicable bracket(s) for the basic and/or reissue underwriting rate(s) as the case may be.

4.7 MORTGAGE FORECLOSURE INSURANCE

When an applicant requests a search and insurance for use in connection with institution of a mortgage foreclosure, a Mortgage Foreclosure Insurance Policy shall be issued. Such a policy will provide for a minimum liability of \$10,000.00, and the underwriting charge shall be \$500.00, plus pass-through charges as provided in Section 5.3.1. The \$500.00 underwriting charge shall be due and payable at the time the application is made. If the applicant requests insurance coverage greater than \$10,000.00, the underwriting charge for such additional insurance shall be based upon the refinance rate. The charge will include one continuation through the filing of the notice of lis pendens. If additional continuations are requested, the charge for each such continuation shall be \$45.00 plus pass through charges.

4.8 ENHANCED COVERAGE POLICIES AND ENDORSEMENTS

Enhanced coverage owners and loan policies, for one-to-four family residential transactions only, are available upon request. A Bureau member may use a specific or proprietary name or trademark to identify its enhanced coverage policies. The underwriting charge for the issuance of such policies shall be 120 percent of the otherwise applicable underwriting charge in that transaction. Included in the enhanced coverage is coverage otherwise given by the following endorsements: ALTA 9-06 and 9.3-06 (NJR 5-95 and 5-98); ALTA 8.1-06 (NJR 5-94); ALTA 6-06, 6.1-06 and 6.2-06 (NJR 5-91,

5-11, 5-92); ALTA 4.1-06 (NJR 5-89); ALTA 5.1-06 (NJR 5-90); ALTA 22-06 (NJR 5-123); and the Lender's Survey Endorsement (without Survey) for mortgage coverage (NJR 5-37). No additional charge will be made with the enhanced coverage policies for coverage normally given by these endorsements. Other charges and endorsements, such as the simultaneous fee and the owners survey endorsement, will be billed as specified in the Rate Manual.

4.9 BALLOON LOAN MODIFICATION LIMITED POLICY

The Balloon Loan Modification Limited Policy may be issued to insure the continued validity and priority of a balloon loan modification agreement modifying a balloon loan mortgage on a one-to-four family residential property. The underwriting charge for this policy shall be \$150.00, and an examination charge of \$50.00 shall also be made.

4.10 ENDORSEMENTS INCORPORATED BY REFERENCE

Whenever a policy form incorporates by reference, or permits incorporation by reference (through use of a check-off box or similar device), an endorsement for which a separate charge is provided under this *Manual*, the charge for those endorsements required by the applicant or the insured shall be made in addition to the underwriting charge for the issuance of the policy. This section shall *not* apply to policies referred to in Sec. 4.8 of this *Manual* ("Enhanced Coverage Policies").

5.0 EXAMINATION CHARGES

5.1 BASIC EXAMINATION CHARGE

When the insurer or its agent examines the title to real estate and issues a commitment to insure, the basic charge for such examination involving a single chain of title shall be \$105.00. The examination charge includes only the county search.

5.2 REISSUE EXAMINATION CHARGE

When the insurer or its agent examines the title to real estate qualifying for the reissue underwriting rate, the refinance or mortgage modification rate, or the lot development, subdivision or condominium regime rate, and issues a commitment to insure, the charge for such examination shall be \$90.00. The examination charge includes only the county search.

5.3 OTHER EXAMINATION CHARGES

5.3.1 PASS THROUGH CHARGES FOR OTHER SEARCHES

The basic examination charge and the reissue examination charge include only the county search. Costs for other required searches will be separately charged to the insured, including, but not limited to, the following:

1. Upper Court Searches
2. Tax Searches
3. Municipal Assessment Searches
4. Chancery Abstracts
5. Water Charge Searches
6. Corporate Reports

7. Uniform Commercial Code Searches
8. Public Utility or Sewer Authority Reports

5.3.2 PHOTOCOPY CHARGES

In addition, photocopy charges associated with the county search and other searches will be passed through at cost.

5.4 ADDITIONAL CHAINS OF TITLE

For each additional chain of title involved in the title examination, the applicable examination charge shall be increased by \$90.00. Charges for additional chains of title shall be made when the search of the property being insured discloses that at any time during the applicable search period it consisted of two or more separate parcels in separate ownership.

5.5 PROPERTY IN TWO OR MORE COUNTIES

Where the real estate in question lies in two or more counties, a separate examination charge shall be made for each county.

5.6 CONTINUATIONS

The examination charge provided for in this manual includes one preclosing continuation. When the insurer or agent is requested to do additional preclosing continuations or continuations in connection with advances under an insured mortgage, the charges for each such continuation shall be \$45.00 plus other applicable charges as provided in section 5.3.

6 SETTLEMENT CHARGES

6.1 SETTLEMENTS WITH DISBURSEMENTS

Where the insurer or its agent conducts a settlement with disbursements, as the same is defined in Paragraph 1.10(a), the charge shall be \$300.00, plus additional charges, if any, as provided for herein. Settlements conducted by mail or electronically shall be deemed to be conducted in the insurer's or agent's office. Nothing contained herein shall be deemed to limit the applicability of Paragraphs 3.1.5 or 7.6 or any other applicable provision of this *Manual*.

6.2 SETTLEMENTS WITH DISBURSEMENTS; ADDITIONAL CHARGES

6.2.1 SETTLEMENTS OUTSIDE THE INSURER'S OR AGENT'S OFFICE

If the settlement with disbursements occurs outside the insurer's or agent's office, \$25.00 shall be added to the settlement charge (for a total charge of \$325.00). Out-of-pocket expenses for tolls, parking, lodging, rail or air fares and other travel-related items (if applicable) shall also be charged. Mileage shall be charged at the rate established from time to time by the Internal Revenue Service pursuant to the Income Tax Regulations. The charge imposed under this sub-section shall be in addition to the charges imposed under Paragraphs 6.2.2 and 6.2.3, if applicable.

6.2.2 SETTLEMENTS OUTSIDE REGULAR BUSINESS HOURS

If the settlement with disbursements is scheduled to commence outside regular business hours at the request of a party to the transaction or his or her attorney, \$50.00 shall be added to the minimum settlement charge (for

a total charge of \$350.00). For the purpose of this sub-section, regular business hours shall be the hours of 9:00 A.M. to 5:00 P.M. Monday through Friday, exclusive of legal holidays. The charge imposed under this sub-section shall be in addition to the charges imposed under Paragraphs 6.2.1 and 6.2.3, if applicable.

6.2.3. SETTLEMENTS OF GREATER THAN NORMAL LENGTH

If the length of the settlement with disbursements exceeds 90 minutes, an additional charge of \$25.00 shall be added for each additional hour (or fraction thereof) in excess of the initial 90-minute period. The charge imposed under this sub-section shall be in addition to the charges imposed under Paragraphs 6.2.1 and 6.2.2, if applicable.

6.3 SETTLEMENTS WITHOUT DISBURSEMENTS

When the insurer or its agent attends or conducts a settlement without disbursements, as the same is defined in Paragraph 1.10(b), the charge shall be \$150.00 plus additional charges, if any, as provided for herein. Settlements conducted by mail or electronically shall be deemed to be conducted in the insurer's or agent's office. Nothing contained herein shall be deemed to limit the applicability of Paragraph 3.1.5 or 7.6 or any other applicable provision of this *Manual*.

6.4 SETTLEMENTS WITHOUT DISBURSEMENTS; ADDITIONAL CHARGES

6.4.1. SETTLEMENT WITHOUT DISBURSEMENTS; ATTENDANCE OUTSIDE INSURER'S OR AGENT'S OFFICE

If the settlement without disbursements occurs outside the insurer's or agent's office, \$25.00 shall be added to the settlement without

disbursements charge (for a total charge of \$175). In addition, travel time in excess of one (1) hour shall be charged at the rate of \$25.00 per hour (or fraction thereof). Out-of-pocket expenses for tolls, parking, lodging, rail or air fares and other travel-related items (if applicable) shall also be charged. Mileage shall be charged at the rate established from time to time by the Internal Revenue Service pursuant to the Income Tax Regulations. The charge imposed under this sub-section shall be in addition to the charges imposed under Paragraphs 6.4.2 and 6.4.3, if applicable.

6.4.2 SETTLEMENTS OUTSIDE REGULAR BUSINESS HOURS

If the settlement without disbursements is scheduled to commence outside regular business hours at the request of a party to the transaction or his or her attorney, \$50.00 shall be added to the settlement without disbursements charge (for a total charge of \$200.00). For the purpose of this sub-section, regular business hours shall be the hours of 9:00 A.M. to 5:00 P.M. Monday through Friday, exclusive of legal holidays. The charge imposed under this sub-section shall be in addition to the charges imposed under Paragraphs 6.4.1 and 6.4.3, if applicable.

6.4.3. SETTLEMENTS OF GREATER THAN NORMAL LENGTH

If the length of the settlement without disbursements exceeds 90 minutes, an additional charge of \$25.00 shall be added for each additional hour (or fraction thereof) in excess of the initial 90-minute period. The charge imposed under this sub-section shall be in addition to the charges imposed under Paragraphs 6.4.1 and 6.4.2, if applicable.

6.5 ESCROW SERVICE

All escrows and escrow services shall be the subject of a written agreement, and a reasonable charge for administering the account may be charged, provided disclosure is made to the parties involved. For the purposes of this section, “escrows and escrow services” does not include settlement services, for which separate charges are applicable pursuant to Paragraphs 6.1 through 6.4.3, inclusive, of this *Manual*.

6.6 CLOSING SERVICE LETTER

This letter, when requested, provides a lender (and a borrower or cash purchaser in a 1-4 family owner-occupied transaction), with certain protection against fraud, misapplication of funds or failure to follow written closing instructions by the issuing agent or attorney, subject to the provisions contained therein. The special risk premium for the issuance of this letter shall be \$25.00.

7 MISCELLANEOUS CHARGES

7.1 RECORDING SERVICE CHARGE

a. When an insurer or agent undertakes to record instruments in a transaction (other than the discharge or cancellation of mortgages, for which a specific charge is provided in subparagraph b. below), in addition to the applicable recording fees, the insurer or agent may charge an additional service charge of \$5.00 for each instrument to be recorded.

b. When an insurer or agent is performing closing or settlement services and arranges for the satisfaction or partial release of existing mortgages, the insurer or agent shall charge \$75.00 for each mortgage to be satisfied or partially released, inclusive of recording fees.

7.2 PHOTOCOPYING AND PRINTING CHARGES

7.2.1 PHOTOCOPYING

Beyond providing a copy of the settlement statement, deed, mortgage, and mortgage note or bond without charge, the insurer or agent may charge \$.50 per page for the first to tenth page, \$.25 per page for the eleventh to the twentieth page, and \$.10 per page for all pages over the twentieth page to the party requesting such photocopying.

7.2.2 PRINTING AND COPYING ELECTRONICALLY TRANSMITTED DOCUMENTS

When closing or settlement documents are electronically transmitted (including facsimile transmission), the insurer or agent may charge \$25.00 for downloading or receiving and printing one set of such documents. In

addition, the insurer or agent may also charge a flat fee of \$25.00 for printing or photocopying as many additional sets of documents as are required beyond the first set, for a total charge not to exceed \$50.00.

7.3 PREPARATION OF PROPERTY DESCRIPTION

When an insurer or agent is asked to prepare a legal description of real estate from a survey, the charge for such preparation shall be \$50.00.

7.4 DUPLICATE POLICIES

When an insurer or agent is requested to issue a duplicate policy, the charge for the issuance of such policy shall be \$25.00.

7.5 OVERNIGHT OR SPECIAL DELIVERY SERVICES

When an insurer or agent is asked to use an overnight delivery service or other special delivery or messenger service the insurer or agency may charge the cost for such service to the party requesting it.

7.6 OTHER MISCELLANEOUS CHARGES

When an insurer or agent in connection with an insured transaction is requested to provide certain services or incurs fees or costs for items not specifically addressed by sections 5, 6 or 7 of this Manual, including but not limited to Transaction Management Platform Fees, wire transfer fees, fees for payoff statements, statutory notary fees, other photocopy charges, or sales, use, services, *ad valorem* or other taxes or fees imposed by governmental entities or agencies, etc., the insurer or agent may charge the cost for such services, taxes or fees.

8. RESERVED FOR FUTURE USE

9. GOVERNMENT OR CHARITABLE TRANSACTIONS

9.1 ACQUISITIONS BY STATE OF NEW JERSEY OR ANY OF ITS POLITICAL SUBDIVISIONS

When the State of New Jersey or any of its departments, agencies or political subdivisions undertakes any project involving the acquisition of real estate, the charges for title insurance may be the subject of competitive bidding or a negotiated agreement without regard to the rates established by this Manual. In no case shall such charges exceed the filed and approved Manual charges.

9.2 UNITED STATES GOVERNMENT ACQUISITIONS

When the United States Government undertakes any project involving the acquisition of real estate by one of its departments or agencies, including the Postal Service, the charges for insurance may be the subject of competitive bidding or a negotiated agreement without regard to the rates established by this Manual. In no case shall such charges exceed the filed and approved Manual charges.

9.3 CHARITABLE OR EDUCATIONAL ACQUISITIONS OR FINANCING

When a charitable or educational entity, which is entitled to the benefits of Section 501(c) or (d) of the Internal Revenue Code of 1954, as amended, undertakes any project involving the acquisition or financing of real estate, the charges for title insurance may be the subject of competitive bidding or a negotiated agreement without regard to the rates established by this Manual. In no case shall such charges exceed the filed and approved Manual charges.

10 ENDORSEMENTS

10.1 ALTA 6.1 - VARIABLE RATE MORTGAGE ENDORSEMENT

This endorsement, when affixed to a loan policy, will insure against loss or damage by reason of invalidity or unenforceability or loss of priority of the insured mortgage and interest payable thereunder by reason of a change in the rate of interest provided for in said mortgage as authorized by applicable governmental regulations. The charge for the issuance of such an endorsement shall be \$25.00.

10.2 ALTA 6-06 - VARIABLE RATE MORTGAGE ENDORSEMENT

This endorsement, when affixed to a loan policy, will insure against loss or damage by reason of invalidity or unenforceability or loss of priority of the insured mortgage and interest payable thereunder by reason of a change in the rate of interest provided for in said mortgage. The charge for the issuance of such an endorsement shall be \$25.00.

10.3 ALTA 6.2-06 - VARIABLE RATE MORTGAGE ENDORSEMENT - NEGATIVE AMORTIZATION

This endorsement, when affixed to a loan policy, will insure against loss or damage by reason of invalidity or unenforceability or loss of priority of the insured mortgage and interest payable thereunder by reason of a change in the rate of interest provided for in said mortgage or provisions therein which provide for the addition of unpaid interest to the principal balance of the loan. The charge for the issuance of such an endorsement shall be \$25.00.

10.4 REVOLVING LOAN ENDORSEMENT

Superseded by the Future Advance Endorsements (ALTA 14 series)
Paragraphs 10.46, 10.47 and 10.48 effective March 8, 2004.

10.5 SURVEY ENDORSEMENT

When the insurer or its agent is requested to issue this endorsement to its commitment and/or policy eliminating the general survey exception therefrom and substituting therefor specific matters disclosed by reading a current survey or a survey and survey affidavit, the rate shall be \$25.00. In the case of simultaneously issued policies, only a single \$25.00 charge shall be made.

10.6 ALTA 8.1-06 - ENVIRONMENTAL PROTECTION LIEN

This endorsement, when affixed to a loan policy covering land being used primarily for residential purposes, provides limited environmental coverage for the insured lender, i.e., that there is no environmental protection lien of record as of the policy date which enjoys priority over the insured mortgage. The charge for the issuance of this endorsement shall be \$25.00.

10.7 ALTA 4.1-06 - CONDOMINIUM

This endorsement, when affixed to an owner's or loan policy covering a condominium unit, provides the policyholder with affirmative insurance against loss or damage arising, inter alia, from the failure of the condominium unit to form a part of a valid and subsisting condominium regime, pursuant to N.J.S.A. 46:8B-1 et seq. The charge for the issuance of the endorsement shall be \$25.00. In the case of simultaneously issued policies, only a single \$25.00 charge shall be made.

10.8 ALTA 5.1-06 - PLANNED UNIT DEVELOPMENT - "P.U.D."

This endorsement, when affixed to an owner's or loan policy covering a unit in a Planned Unit Development, provides the policyholder with affirmative insurance against loss or damage arising from certain provisions commonly found in the declaration of covenants and restrictions normally filed in connection with P.U.D's. The charge for the issuance of the endorsement shall be \$25.00. In the case of simultaneously issued policies, only a single \$25.00 charge shall be made.

10.9 CONVERTIBLE ADJUSTABLE RATE MORTGAGE LOAN ENDORSEMENT

This endorsement, when affixed to a loan policy, insures against loss or damage by reason of the invalidity or unenforceability or loss of priority of the insured mortgage, by reason of:

- (a) a provision in the mortgage permitting changes in the rate of interest; or
- (b) a provision permitting the mortgage to be converted from a variable (or adjustable) rate mortgage to a fixed rate mortgage.

The charge for the issuance of the endorsement shall be \$25.00.

10.10 ALTA 9-06 and ALTA 9.3-06 - RESTRICTIONS, ENCROACHMENTS & MINERALS

This endorsement, when affixed to a loan policy, insures against loss or damage resulting from inaccuracies in the various items of affirmative insurance contained therein. The charge for the issuance of the endorsement shall be \$25.00. When substantially equivalent coverage is given, whether by use of the ALTA Short Form Residential Loan Policy or otherwise, the same charge shall be made.

10.11 FNMA BALLOON ENDORSEMENT

This endorsement, when affixed to a loan policy, will insure against loss or damage by reason of the invalidity, or unenforceability, or loss of priority of the lien of the insured mortgage by reason of the exercise of the Conditional Right to Refinance and the extension of the loan term as provided for in the mortgage, all in accordance with the terms of the endorsement. This endorsement may be used only on 1-4 family residential property. The charge for the issuance of the endorsement shall be \$25.00.

10.12 SECONDARY MORTGAGE MARKET ENDORSEMENT

This endorsement, when affixed to a loan policy, provides various items of affirmative insurance which are commonly required by secondary mortgage market investors. The charge for issuance of the endorsement shall be \$25.00.

10.13 REVERSE ANNUITY ENDORSEMENT

This endorsement, when affixed to a loan policy, insures against the invalidity or unenforceability or loss of priority of the lien of the insured mortgage as security for the payment of the advances made for principal, or amounts payable as contingent or non-contingent interest as set forth and defined in the mortgage, loan agreement or note. The charge for the issuance of this endorsement shall be \$25.00.

10.14 ALTA FORM 1-06 - STREET ASSESSMENTS

When affixed to a loan policy, this endorsement provides affirmative coverage against any assessments for street improvements under construction or completed as of the date of policy and not excepted in

Schedule B. There shall be no charge for the issuance of this endorsement.

10.15 LENDER'S SURVEY ENDORSEMENT (WITHOUT SURVEY)

When an insurer or its agent is requested to issue this endorsement to its commitment for loan policy and/or loan policy eliminating the general survey exception therefrom by waiving the requirement for a survey (including the use of the Short Form Residential Loan Policy), the rate shall be \$25.00. In the case of simultaneously issued policies, only a single charge for multiple survey or "non-survey" survey endorsements shall be made.

10.16 ALTA 10-06 - ASSIGNMENT OF MORTGAGE

When the insurer is asked to insure the assignment of a mortgage it previously insured, the rate for the issuance of an endorsement insuring the validity of the assignment shall be \$50.00 plus an examination charge not to exceed \$50.00 to cover the cost of the limited county search required, plus applicable pass through charges.

10.17 ALTA 10.1-06 - ASSIGNMENT AND DATE DOWN

When an insurer is asked to insure the assignment of a mortgage it previously insured with coverage for continued priority of that mortgage, the rate for the issuance of such an endorsement shall be \$75.00, plus the reissue examination charge and applicable pass through charges.

10.18 INTER VIVOS TRUST - POLICY MODIFICATION

Superseded by the Successors and Transferees Coverage Endorsement, paragraph 10.41, effective September 17, 2001.

10.19 NON-IMPUTATION ENDORSEMENT

Superseded by the Non-Imputation Endorsements (ALTA 15 series)

Paragraphs 10.49, 10.50 and 10.51, effective March 8, 2004.

10.20 ALTA 3-06 - ZONING

This endorsement, when affixed to a policy, provides assurances that the property is classified in a particular zone and that specified uses are permitted thereon. The charge for the issuance of this endorsement shall be 15% of the basic underwriting charge provided in Manual Section 4.2 for the amount of insurance being written, with a minimum charge of \$150.00. In the event of simultaneously issued policies, a single charge will be made based upon the higher liability.

10.21 ALTA 3.1-06 - ZONING - COMPLETED STRUCTURES

This endorsement, when affixed to a policy, provides assurances that the property is classified in a particular zone and that specified uses are permitted thereon; and further provides protection against a final decree of a court of competent jurisdiction that the use or structures presently located on the land are prohibited, or requiring the removal or alteration of the structures because they violate the bulk requirements of the local zoning ordinance. The charge for the issuance of this endorsement shall be 20% of the basic underwriting charge provided in Manual Section 4.2 for the value of the transaction, with a minimum charge of \$150.00. In the event of simultaneously issued policies, a single charge will be made based upon the higher liability.

10.22 ALTA 9.1-06, 9.2-06, 9.4-06 AND 9.5-06 - RESTRICTIONS, ENCROACHMENTS AND MINERALS

The ALTA 9.1-06, 9.2-06, 9.4-06 and 9.5-06 endorsements, when affixed to an owner's policy insuring a property, provide certain affirmative coverage regarding restrictions, encroachments and minerals. ALTA 9.1-06 and 9.4-06 are for unimproved lands. ALTA 9.2-06 and 9.5-06 are for improved land. The rate for the issuance of these endorsements or substantially equivalent coverage shall be 10% of the applicable underwriting charge, with a minimum of \$100.00. These endorsements may not be given unless survey coverage is also given.

10.23 CREDITORS' RIGHTS EXCLUSION - OWNERS POLICIES

This endorsement, when affixed to a 2006 ALTA owner's or leasehold owner's policy, will delete the creditors' rights exclusion. The charge for the issuance of this endorsement shall be \$50.00. This endorsement may only be used for one-to-four family residential properties.

10.24 CREDITORS' RIGHTS EXCLUSION - LOAN POLICIES

This endorsement, when affixed to a 2006 ALTA loan or leasehold loan policy, will delete the creditors' rights exclusion. The charge for the issuance of this endorsement shall be \$50.00. This endorsement may only be used for one-to-four family residential properties.

10.25 ASSIGNMENT OF MORTGAGE - UPDATED POLICY

This endorsement, when affixed to a loan policy, insures the validity of an assignment of the previously insured mortgage, and it updates the policy to the date of recording of the assignment. The charge for the issuance of this

endorsement shall be \$150.00, plus a reissue examination charge and applicable pass-through charges.

10.26 INTER-SPOUSAL TRANSFERS

Superseded by the Successors and Transferees Coverage Endorsement, paragraph 10.41, effective September 17, 2001.

10.27 FAIRWAY ENDORSEMENT - PARTNERSHIP

This endorsement, when affixed to a policy of title insurance, provides that coverage shall not be terminated, lapsed or forfeited by the admission or withdrawal of any individual or entity as a partner or any change in any partner's interest in the capital or profits of the insured partnership, provided that such events do not dissolve or discontinue the partnership under applicable state law. The charge for the issuance of this endorsement shall be \$50.00.

10.28 FAIRWAY ENDORSEMENT - L.L.C.

This endorsement, when affixed to a policy of title insurance, provides that coverage shall not be terminated, lapsed or forfeited by the admission or withdrawal of any individual or entity as a member in the insured or a change in any member's interest in capital or profits in the insured, provided that such events do not dissolve or discontinue the insured under applicable state law. The charge for the issuance of this endorsement shall be \$50.00.

10.29 ENHANCED COVERAGE ENDORSEMENTS [Deleted 9/3/02]

An endorsement is also available to convert the 1992 ALTA Loan Policy (NJRB 2-08) to an Enhanced Coverage Policy. A Bureau member may use a specific or proprietary name or trademark to identify its enhanced coverage

policies or endorsements. The underwriting charge for the issuance of such policies with the enhanced coverage endorsement shall be as set forth in Section 4.8. Included in the enhanced coverage is coverage otherwise given by the following endorsements: ALTA 9 (NJR 5-30, loan coverage for restrictions, encroachments and minerals); ALTA 8.1 (NJR 5-17, loan coverage for environmental liens); ALTA 6, 6.1 and 6.2 (NJR 5-11, 12, 13, variable rate loan endorsements); Revolving Loan Endorsement (NJR 5-15); and the "No Survey" Survey Endorsement for loan coverage (NJR 5-37). No additional charge will be made with the enhanced coverage policies or endorsements for coverage normally given by these endorsements. Other charges and endorsements, such as the simultaneous fee and the owners survey endorsement, will be billed as specified in the Rate Manual.

10.30 BALLOON LOAN MODIFICATION LIMITED POLICY

See Section 4.9

10.31 ALTA 12-06 - AGGREGATION ENDORSEMENT

This endorsement, when affixed to a loan policy or policies insuring a mortgage which is secured by more than one property in New Jersey or in New Jersey and other jurisdictions, and policies are to be issued insuring the mortgage lien on all of the properties so encumbered, will tie the policies together and aggregate the insurance in all of the policies identified in the endorsement. The charge for the issuance of this endorsement is equal to ten percent of the premium charged for the issuance of the policy or policies covering the site or sites in New Jersey.

10.32 APPLICATION OF MORTGAGE PAYMENTS (“LAST DOLLAR”) ENDORSEMENT

This endorsement, when affixed to a loan policy of title insurance confirms that “last dollar” coverage is being afforded the insured by virtue of the policy.

There shall be no underwriting charge for the issuance of this endorsement.

10.33 CONTINGENT LOSS (“FIRST LOSS”) ENDORSEMENT [Deleted 1/25/05]

This endorsement, when affixed to a loan policy insuring one or more sites of a multi-site mortgage transaction, allows the insured lender to assert a claim of loss based upon the impairment of the single site as security for the insured mortgage. The underwriting charge for the issuance of this endorsement shall be 10% of the applicable underwriting charge for the underlying policy, with a minimum of \$500.00.

10.34 INTEREST RATE EXCHANGE – “SWAP” ENDORSEMENT

This endorsement, when affixed to a loan policy of title insurance, insures the lender against loss or damage arising from a judicial determination that its mortgage is invalid or unenforceable or has lost its priority because of an interest rate exchange agreement. The charge for the issuance of this endorsement shall be \$100.00.

10.35 SHARED APPRECIATION ENDORSEMENT

This endorsement, when affixed to a loan policy of title insurance, insures the lender that the mortgage will not be rendered invalid or unenforceable as a result of any shared appreciation feature in that mortgage. The charge for the issuance of this endorsement shall be a \$25.00.

10.36 SUBDIVISION ENDORSEMENT

This endorsement, when affixed to a policy, provides assurances that the estate or interest insured will not be set aside by reason of a failure to obtain final subdivision approval. The charge for the issuance of this endorsement shall be 5% of the applicable underwriting charge, with a minimum charge of \$100.00. In the event of simultaneously issued policies, a single charge will be made based upon the higher liability.

10.37 ALTA 11-06 - MORTGAGE MODIFICATION

This endorsement, when affixed to a loan policy, insures the validity and enforceability of the lien of the insured mortgage as of the date of the recording of the mortgage modification agreement. The underwriting charge for this endorsement is calculated pursuant to the rate schedule in paragraph 4.6.2.

10.38 CONSTRUCTION LOAN SPECIAL POLICY ENDORSEMENT

This endorsement, when affixed to a loan policy, converts that policy into a special construction loan policy. The underwriting charge for the special construction loan policy is contained in paragraph 4.5

10.39 ALTA 7-06 - MANUFACTURED HOUSING UNIT

This endorsement, when affixed to a policy of title insurance, provides that the definition of "land" in the policy includes the manufactured housing unit located on the land at date of policy. The charge for the issuance of this endorsement shall be \$50.00.

10.40 MODIFIABLE MORTGAGE OPTION ENDORSEMENT

This endorsement, when affixed to a loan policy, insures the continuing validity, priority and enforceability of the lien of the insured mortgage, as modified, resulting from the provisions contained in the Modifiable Mortgage Option Rider [or other name for the product in question] attached thereto (called the "Agreement"), which provides for changes in the rate of interest and the extension of the maturity date, and the validity, priority and enforceability of any Future Advances made pursuant to said Agreement. The charge for the issuance of this endorsement shall be \$50.00.

10.41 SUCCESSORS & TRANSFEREES COVERAGE ENDORSEMENT

This endorsement, when affixed to an owner's policy, modifies the definition of insured to include, in specific limited circumstances, transferees under *inter vivos* or testamentary trusts, and transferees for no or nominal stated consideration. The charge for the issuance of this endorsement shall be 10% of the applicable underwriting charge if the endorsement is given at the time of the issuance of the underlying policy, and 20% of the currently-applicable underwriting charge for the underlying policy if the endorsement is issued subsequent to the issuance of that policy.

10.42 ARBITRATION ENDORSEMENT

This endorsement, when affixed to a loan or owner's policy, supersedes the paragraph thereof relating to arbitration by providing that arbitration may occur only when the insured and insurer agree. There is no charge for the issuance of this endorsement.

10.43 ALTA 13-06 and 13.1-06 - LEASEHOLD OWNER'S AND LOAN ENDORSEMENTS

These endorsements, when affixed to an ALTA Owner's (NJR 1-15) or Loan Policy (NJR 2-16) respectively, convert that policy to a leasehold policy. When this Manual refers to a leasehold owner's or loan policy or policies, or to leasehold insurance, the reference includes a policy or policies to which these endorsements are affixed. There is no charge for the issuance of either endorsement.

10.44 MEZZANINE FINANCING ENDORSEMENT

Superseded by Mezzanine Financing Endorsement (ALTA 16) Paragraph 10.53, effective March 8, 2004.

10.45 GOING CONCERN ENDORSEMENT

This endorsement, when affixed to a title insurance policy, provides assurances that, in the event of a loss covered under the policy, the determination of the value of the insured estate or interest in the land shall include consideration of the use or uses to which the land is being put at the time of the loss. The charge for this endorsement shall be twenty (20) percent of the applicable underwriting charge.

10.46 ALTA 14-06 - FUTURE ADVANCE - PRIORITY ENDORSEMENT

This endorsement, when affixed to an ALTA Loan Policy (NJR 2-16), will insure the continued priority of a Mortgage securing both principal and interest of a loan which advances certain monies to the borrower after the date of policy. The underwriter has the option of excluding coverage against

loss or damage resulting from the loss of priority of an Advance to a mechanic's or materialmen's lien. The charge for issuance of such an endorsement shall be \$50.00.

10.47 ALTA 14.1-06 - FUTURE ADVANCE - KNOWLEDGE ENDORSEMENT

This endorsement, when affixed to an ALTA Loan Policy (NJRB 2-16), will insure the continued priority of a Mortgage securing both principal and interest of a loan which advances certain monies to the borrower after the Date of Policy. The underwriter has the option of excluding coverage against loss or damage resulting from the loss of priority of an Advance to a mechanic's or materialmen's lien. This endorsement does not insure against loss or damage resulting from the loss of priority of any Advance made after the insured had knowledge of the existence of liens, encumbrances or other matters affecting the land intervening between the Date of Policy and the Advance, as to the intervening lien, encumbrance or other matter. The charge for the issuance of such an endorsement shall be \$50.00.

10.48 ALTA 14.2-06 - FUTURE ADVANCE - LETTER OF CREDIT ENDORSEMENT

This endorsement, when affixed to an ALTA Loan Policy (NJRB 2-16), will insure the continued priority of a Mortgage securing both principal and interest of a loan which advances certain monies to the borrower after the Date of Policy. The underwriter has the option of excluding coverage against loss or damage resulting from the loss of priority of an Advance to a mechanic's or materialmen's lien, securing a letter of credit, surety agreement or reimbursement agreement relating to the repayment of

Advances made to the borrower after the Date of Policy that are secured by the insured mortgage. This endorsement does not insure against loss or damage resulting from the loss of priority of any Advance made after the insured had knowledge of the existence of liens, encumbrances or other matters affecting the land intervening between the Date of Policy and the Advance, as to the intervening lien, encumbrance or other matter. The charge for the issuance of such an endorsement shall be \$50.00.

10.49 ALTA 14.3-06 - FUTURE ADVANCE - REVERSE MORTGAGE

This endorsement, when affixed to a loan policy, insures against the invalidity or unenforceability or loss of priority of the lien of the insured mortgage as security for the payment of the advances made for principal as set forth and defined in the mortgage, loan agreement or note. The charge for the issuance of this endorsement shall be \$25.00.

10.50 ALTA 15-06 - NON-IMPUTATION - FULL EQUITY TRANSFER
ENDORSEMENT

This endorsement, when affixed to a policy of title insurance in a commercial transaction, assures the named insured that the Company will not, in the event of a claim, deny liability to such insured based upon the action, inaction or knowledge of certain identified persons, whether or not imputed to the insured by operation of law, provided those that acquired the insured were purchasers for value without knowledge of the subject matter of the claim. The charge for this endorsement shall be twenty (20%) percent of the applicable underwriting charge for the underlying insured transaction. In the event of simultaneously issued policies, a single charge will be made based upon the higher liability.

10.51 ALTA 15.1-06 - NON-IMPUTATION - ADDITIONAL INSURED
ENDORSEMENT

This endorsement, when affixed to a policy of title insurance in a commercial transaction, in which an additional insured is added as an insured under the policy, assures that the Company will not, in the event of a claim, deny liability based upon the action, inaction or knowledge of certain identified persons, whether or not imputed to the additional insured by operation of law, to the extent of the percentage interest in the insured acquired by the additional insured as a purchaser for value without knowledge of the subject matter of the claim. The charge for this endorsement shall be twenty (20%) percent of the applicable underwriting charge for the underlying insured transaction. In the event of simultaneously issued policies, a single charge will be made based upon the higher liability.

10.52 ALTA 15.2-06 - NON-IMPUTATION - PARTIAL EQUITY TRANSFER
ENDORSEMENT

This endorsement, when affixed to a policy of title insurance in a commercial transaction, wherein an incoming partner, member or shareholder is the named insured in its own policy, where the vestee of the insured estate is a partnership, limited liability company or corporation, assures the named insured that the Company will not, in the event of a claim, deny liability to such insured based upon the action, inaction or knowledge of certain identified persons, whether or not imputed to the insured by operation of law, to the extent that the insured acquired the insured's interest in the entity as a purchaser for value without knowledge of the subject matter of the claim. If the policy to the incoming partner, member or shareholder is issued

simultaneously with a policy issued to the vestee of the insured estate, the charge for this endorsement shall be twenty (20%) percent of the applicable underwriting charge for the underlying transaction. If the policy to the incoming partner, member or shareholder is issued subsequent to the issuance of a policy to the vestee of the insured estate, the charge for this endorsement shall be computed based upon the currently applicable underwriting charge for the value of the real property equivalent to the purchaser's percent of interest in the vestee of the insured estate.

10.53 ALTA 16-06 - MEZZANINE FINANCING STATEMENT

This endorsement, when affixed to an ALTA owner's policy, provides loss payee coverage to a lender which has provided "mezzanine" financing to a real property owning entity, which financing is not secured by a real estate mortgage. The endorsement also waives certain defenses for the mezzanine lender otherwise applicable to the owner. The underwriting charge for the issuance of this endorsement shall be 30% of the applicable underwriting charge for the underlying owner's policy, whenever issued, with a minimum of \$500.00.

10.54 ALTA 17-06 - ACCESS AND ENTRY ENDORSEMENT

This endorsement, when affixed to a title insurance policy, provides assurances that the land abuts and has both vehicular and pedestrian access to a physically open and publicly maintained road, together with the right to use existing curb cuts to access same. The underwriting charge for the issuance of this endorsement shall be \$50.00. In the case of simultaneously issued policies containing this endorsement, only a single

\$50.00 charge shall be made.

10.55 ALTA 18-06 - SINGLE TAX PARCEL ENDORSEMENT

This endorsement, when affixed to a title insurance policy, provides assurances that the land in question is a separate tax parcel for real estate purposes and not taxed as part of a larger parcel of land. The underwriting charge for the issuance of this endorsement shall be \$50.00. In the case of simultaneously issued policies containing this endorsement, only a single \$50.00 charge shall be made.

10.56 ALTA 18.1-06 - MULTIPLE TAX PARCEL ENDORSEMENT

This endorsement, when affixed to a title insurance policy, provides assurances that the land in question is being assessed for real estate tax purposes under certain identified tax numbers and that any easements described in Schedule A will not be cut off or disturbed by the nonpayment of real estate taxes or assessments imposed on the servient estate. The underwriting charge for the issuance of this endorsement shall be \$50.00. In the case of simultaneously issued policies containing this endorsement, only a single \$50.00 charge shall be made.

10.57 ALTA 19-06 - CONTIGUITY - MULTIPLE PARCELS ENDORSEMENT

This endorsement, when affixed to a title insurance policy, provides assurances that certain identified insured parcels are contiguous to each other and have no gaps, strips or gores separating them. The underwriting charge for the issuance of this endorsement shall be \$50.00. In the case of simultaneously issued policies containing this endorsement, only a single \$50.00 charge shall be made.

10.58 ALTA 19.1-06 - CONTIGUITY - SINGLE PARCEL ENDORSEMENT

This endorsement, when affixed to a title insurance policy, provides assurances that the insured parcel is contiguous to some other parcel of land, and there exists no gaps, strips or gores separating them. The underwriting charge for the issuance of this endorsement shall be \$50.00. In the case of simultaneously issued policies containing this endorsement, only a single \$50.00 charge shall be made.

10.59 ALTA 17.1-06 - INDIRECT ACCESS AND ENTRY ENDORSEMENT

This endorsement, when affixed to a title insurance policy, provides assurances that (i) the easement identified provided both actual vehicular and pedestrian access to and from an identified street to and from the insured parcel (ii) the identified street is physically open and publically maintained, and (iii) the insured has a right to use existing curb cuts or entries along that portion of the identified street abutting the identified easement. The underwriting charge for the issuance of this endorsement shall be \$50.00. In the case of simultaneously issued policies containing this endorsement, only a single \$50.00 charge shall be made.

10.60 ALTA 20-06 - FIRST LOSS - MULTIPLE PARCEL TRANSACTIONS

This endorsement, when affixed to a title insurance policy, provides that if the collateral includes at least two parcels of real property, subject to the provisions of Section 8 of the Conditions and Stipulations, in the event of a claim resulting from a matter insured against by the policy, the Insurer would pay that portion of the amount by which the claim diminishes the value of the collateral below the indebtedness, not exceeding the limits of liability

imposed by Sections 2 and 7 of the Conditions and Stipulations without requiring (a) maturity of the indebtedness by acceleration or otherwise (b) pursuit by the insured of its remedies under any guaranty bond or other insurance policy. The underwriting charge for this endorsement shall be ten (10%) percent of the applicable underwriting charge for the underlying policy, with a minimum of \$500.00.

10.61 ALTA 21-06 - CREDITORS' RIGHTS

This endorsement, when affixed to a title insurance policy, provides assurances against loss or damage sustained by the insured by reason of the avoidance in whole or in part, or a court order providing some other remedy, based on the voidability of any estate, interest, or mortgage shown in Schedule A because of the occurrence on or before the date of policy, of a fraudulent transfer or a preference under federal, bankruptcy, state insolvency or similar creditors' rights laws. The underwriting charge for this endorsement shall be twenty (20%) percent of the applicable underwriting charge, with a minimum of \$500.00. In the case of simultaneously-issued policies, a separate charge shall be made for each such endorsement issued.

10.62 ALTA 22-06 - LOCATION

This endorsement insures against loss or damage sustained by reason of the failure of an identified improvement to be located on the insured land at date of policy. The underwriting charge for this endorsement shall be \$25.00.

APPENDIX – EXAMPLES

The following examples are illustrative of the calculation of underwriting charges pursuant to the Manual Section referenced in the heading for each example.

3.2.1 SIMULTANEOUS ISSUANCE OF OWNER'S AND LEASEHOLD POLICIES

EXAMPLE: All of the following policies are simultaneously issued: (a) owner's policy for \$10 million, (b) fee loan policy for \$7 million, (c) leasehold owner's policy for \$8 million, and (d) leasehold loan policy for \$6 million. The fee to be charged is \$30,225.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,001-\$500,000	\$4.00 x 400	=	\$1,600.00
\$500,001-\$2,000,000	\$2.75 x 1500	=	\$4,125.00
\$2,000,001-\$8,000,000	\$2.25 x 6,000	=	\$13,500.00
Sub-Total (\$8 Million Coverage)			\$19,750.00
Leasehold Owners Policy (30%)			\$5,925.00
\$8,000,001-\$10 million	\$2.25 x 2,000	=	\$4,500.00
Total Underwriting Charge			\$30,175.00
Two simultaneously issued policies @ \$25.00			\$50.00
Total Charges			\$30,225.00

3.3.4 JUNIOR (INCLUDING SECONDARY AND WRAPAROUND) MORTGAGES

EXAMPLE 1: A property is purchased for \$500,000 and simultaneously a first mortgage in the amount of \$250,000 and a second mortgage in the amount of \$150,000 are obtained. The prior owner has a \$450,000 owner's policy which was issued within the last ten (10) years. The amount to be charged is \$1,813.00 and is calculated as follows:

\$0-\$100,000 (reissue rate)	\$4.25 x 100	=	\$425.00
\$100,001-\$450,000 (reissue rate)	\$3.25 x 350	=	\$1,137.50
\$450,001-\$500,000 (basic rate)	\$4.00 x 50	=	\$200.00
Total underwriting charge			\$1,762.50
Rounded (Section 3.1.4) becomes			\$1,763.00
Two simultaneously issued policies @ \$25			\$50.00
Total			\$1,813.00

EXAMPLE 2: A property is purchased for \$495,000 and simultaneously a first mortgage in the amount of \$400,000 and a second mortgage in the amount of \$150,000 are obtained. The prior owner has a \$525,000 owner's policy which was issued within the last ten (10) years. The amount to be charged is \$1,900.00 and is calculated as follows:

\$0-\$100,000 (reissue rate)	\$4.25 x 100	=	\$425.00
\$100,001-\$500,000 (reissue rate)	\$3.25 x 400	=	\$1,300.00
\$500,001-\$525,000 (reissue rate)	\$2.25 x 25	=	\$56.25
\$525,001-\$550,000	\$2.75 x 25	=	\$68.75

(basic rate)

Total Underwriting Charge	\$1,850.00
Two simultaneously issued policies @ \$25.00	\$50.00
Total charges	\$1,900.00

3.4 SIMULTANEOUSLY ISSUED POLICIES - STANDARD AND ENHANCED COVERAGE

In a purchase transaction, the lender requests the enhanced coverage loan policy, but the owner wishes to purchase the standard coverage policy. The purchase price is \$300,000, with a mortgage loan of \$150,000. The underwriting charge is \$1,470 and is calculated as follows:

\$0-\$100,000 (basic rate)	\$5.25 x 100	=	\$525.00
\$100,001-\$150,000	\$4.00 x 50	=	\$200.00
Subtotal			\$725.00
Enhanced Coverage Additional Charge (Section 4.8)			
	\$725 x 1.2 (120%)	=	\$870.00
\$150,001-\$300,000	\$4.00 x 150	=	\$600.00
Total underwriting charge			\$1,470.00

In addition a charge of \$25 is made for the simultaneous issuance of two policies.

4.2. BASIC UNDERWRITING RATE SCHEDULE

EXAMPLE 1: The basic underwriting charge on a closing involving the purchase of a \$175,000 property is \$825.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,001-\$175,000	\$4.00 x 75	=	\$300.00
Total underwriting charge			\$825.00

EXAMPLE 2: The basic underwriting charge on a closing involving the purchase of a \$148,250 property is \$721.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,001-\$148,250	\$4.00 x 49	=	\$196.00
Total underwriting charge			\$721.00

(NOTE: The rate schedule provides a rate per \$1,000 of liability or a fraction thereof.)

EXAMPLE 3: The basic underwriting charge on a closing involving the purchase of a \$13,900 property is \$200.00. The minimum underwriting charge in section 4.1 applies to this transaction and not the schedule of basic underwriting rates in section 4.2

4.3

REISSUE UNDERWRITING RATE SCHEDULE

EXAMPLE 1: An application is received for \$138,000 of owner's insurance where within ten (10) years an owner's policy for \$85,000 was issued. The rate to be charged is \$592.00 and is calculated as follows:

\$0-\$85,000 (reissue rate)	\$4.25 x 85	=	\$361.25
\$85,001-\$100,000 (basic rate)	\$5.25 x 15	=	\$78.75
\$100,001-\$138,000 (basic rate)	\$4.00 x 38	=	\$152.00
Total			\$592.00

(NOTE: The reissue rate of \$4.25 per \$1,000 of liability applies to the first \$85,000 of liability (the liability of the prior owner's policy); the excess liability over the initial \$85,000 is subject to the basic underwriting rate of \$5.25 from \$85,001 to \$100,000 of liability, and the basic underwriting rate of \$4.00 from \$100,001 to \$138,000 of liability.)

EXAMPLE 2: An application is received for \$212,750 of owner's insurance where within ten (10) years an owner's policy for \$159,900 was issued. The rate to be charged is \$832.00 and is calculated as follows:

\$0-\$100,000 (reissue rate)	\$4.25 x 100	=	\$425.00
\$100,001-\$160,000 (reissue rate per \$1,000 or fraction thereof)	\$3.25 x 60	=	\$195.00
\$160,001-\$212,750 (basic rate per \$1,000 or fraction thereof)	\$4.00 x 53	=	\$212.00
Total Underwriting Charge			\$832.00

4.5 UNDERWRITING RATE APPLICABLE TO DEVELOPMENT OR

CONSTRUCTION LOANS

EXAMPLE 1: A builder purchases a tract for construction of a commercial facility and pays \$190,000 for the land. At a later time he obtains \$840,000 of construction funds.

- (1) If he wishes to purchase owner's insurance to cover the \$190,000 land acquisition, he pays for the insurance at the basic rate schedule: \$525.00 for the first \$100,000 of insurance and \$360.00 in the bracket from \$100,001 to \$190,000, for a total cost to him of \$885.00
- (2) If, after issuance of the owner's policy, the builder also wishes insurance protection for the \$840,000 construction loan, he pays \$840.00 for a three-year construction loan policy.
- (3) If the builder subsequently wishes to increase his owner's policy from \$190,000 to \$1,200,000, he will pay the reissue rate up to \$190,000 and the basic underwriting rate above that for a \$1,200,000 policy, less the credit given for the construction loan underwriting charges previously paid, as follows:

\$0-\$100,000 (reissue rate)	\$4.25 x 100	=	\$425.00
\$100,001-\$190,000 (reissue rate)	\$3.25 x 90	=	\$292.50
\$190,001-\$500,000 (basic rate)	\$4.00 x 310	=	\$1,240.00
\$500,001-\$1,200,000 (basic rate)	\$2.75 x 700	=	\$1,925.00
Total Underwriting Charge			\$3,882.50
Rounded becomes			\$3,883.00
Credit prior loan policy			(\$840.00)
Balance Owing			\$3,043.00

(NOTE: If the builder simultaneously requests a mortgage policy for a \$1,000,000 permanent loan, it will be issued for an added charge of \$25.00.)

EXAMPLE 2: A builder who did not purchase title insurance on his land

acquisition obtains a construction loan policy for \$1,700,000 to cover a tract consisting of 28 lots for \$1,700.00. At the end of three years, the builder has 8 lots remaining. He elects to obtain a permanent loan policy insuring the remaining lots for a total of \$550,000. The applicable underwriting charge is \$1,713.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,000-\$500,000	\$4.00 x 400	=	\$1,600.00
\$500,001-\$550,000	\$2.75 x 50	=	\$137.50
Total Underwriting Charge			\$2,262.50
Rounded becomes:			\$2,263.00
Credit: \$1.00 per \$1,000 of liability of the permanent loan policy of \$550,000			(\$550.00)
Balance Owing:			\$1,713.00

4.6.1 REFINANCE, RECAST OR SUBSTITUTION LOANS

EXAMPLE: A \$100,000 purchase money mortgage was obtained less than ten (10) years ago when the property was acquired for \$200,000 by its present owners. Subsequently a home equity loan in the face amount of \$50,000 was obtained. Interest rates have come down, and the mortgagors want to refinance by obtaining a new mortgage in the amount of \$160,000. The original purchase was insured in the amount of \$200,000 and the new insurer is presented with a copy of that owners policy. The rate to be charged is \$395.00 and is calculated as follows:

\$0-\$100,000 (refinance rate)	\$2.50 x 100	=	\$250.00
\$100,001-\$150,000 (refinance rate)	\$2.25 x 50	=	\$112.50
\$150,001-\$160,000 (reissue rate)	\$3.25 x 10	=	\$32.50
Total underwriting charge			\$395.00