



## SOME FRIENDLY REMINDERS FOR MASSACHUSETTS AGENTS

It seems like last year flew by in the blink of an eye, and most of you are probably already facing a busy start to the new year. With that being said, sometimes it is good to refresh ourselves with some of the basics of issuing title insurance policies just to make sure they are not forgotten in the complexity of the closing process. With that in mind, here are some things to review:

- As you are aware, there are two types of coverages that can be selected when issuing your title insurance policy: Standard Policy vs. Expanded Policy. There are certain eligibility requirements when issuing an expanded policy, which are the following:
  1. The property must be improved. Expanded policies cannot issue on vacant land;
  2. The property must be residential. Expanded policies cannot issue on commercial property. Please note that an expanded policy can be issued if the entity holding the residential property is a corporation, limited liability company or trust;
  3. The property must be used as a 1-to-4 family property. Expanded policies cannot issue for properties with a 5 or more family use.

- **Removal of Standard Preprinted Exceptions from Expanded/Standard Policies**

	Expanded Mortgagee	Expanded Owner	Standard Mortgagee	Standard Owner
Have Owner's Affidavit and Plot Plan	Yes	Yes	Yes	No
Have Owner's Affidavit and No Plot Plan	Yes	Yes	Yes	No
Do Not Have Owner's Affidavit and Have Plot Plan	Contact Underwriter	Contact Underwriter	Contact Underwriter	No
Do Not Have Owner's Affidavit and Do Not Have Plot Plan	Contact Underwriter	Contact Underwriter	Contact Underwriter	No

- Please note that agents should always request the execution of an owner's affidavit for all transactions. Also, although some of the policies do not require a plot plan, from a good practice standpoint it is *highly recommended* that plot plans be obtained.
- If it is a purchase from a foreclosure, the property must be vacated by the owner/mortgagor in order for a property to be insured.
- When issuing either standard or expanded mortgagee policies, you may receive a request from a lender that certain endorsements be added to the policy. Please contact an underwriter if you have a question about the applicability of the endorsement, the documentation necessary to issue the endorsement, or any additional premium that might be required.
- A 1099 does not have to be issued if all of the seller's assurances are answered "True" on the Certificate for No Information Reporting Form. Also, a 1099 is not necessary if the seller is a corporation. If the seller is an LLC and is classified as a corporation for federal tax purposes, then a 1099 is not required. If, on the other hand, the LLC is being taxed as a sole proprietorship, then a 1099 must be issued. Property that is being sold from a trust must also have a 1099 issued.

If you have title, policy, or premium questions, please do not hesitate to contact any of the Massachusetts underwriters. For a list of contact numbers or email, please visit our website at: <https://www.catic.com/StateResources/Massachusetts.aspx>.

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