

CHAPTER 126. OWNER-MORTGAGEE TITLE INSURANCE

- Sec.
126.1. General.
126.2. Filing requirements.

Authority

The provisions of this Chapter 126 issued under section 221 of The Insurance Department Act of 1921 (40 P. S. § 59); and sections 701—754 of The Insurance Company Law of 1921 (40 P. S. §§ 910-1—910-54), unless otherwise noted.

Source

The provisions of this Chapter 126 adopted March 29, 1974, effective March 30, 1974, 4 Pa.B. 578, unless otherwise noted.

§ 126.1. General.

Title insurance companies and agents of title insurance companies, issuing mortgagee's title insurance upon a loan made simultaneously with the purchase of all or a part of the real estate securing the loans, where no owner's title insurance policy has been ordered; shall, prior to the disbursement of the loan funds or the issuance of the mortgagee's title policy, cause the mortgagor to be advised in writing of the fact that a mortgagee's title insurance policy is to be issued, of the fact that the policy does not afford title insurance protection to the owner-mortgagor, and of the owner-mortgagor's right to obtain title insurance in his own favor; and if the mortgagor elects not to purchase owner's title insurance, the title insurance company shall obtain from the mortgagor a statement in writing that the mortgagor has received the notice and that the mortgagor waives the right to purchase owner's title insurance. The form of the written notice and waiver shall be as follows:

Re No.

Premises

Pursuant to the requirement of the Pennsylvania Insurance Department, notice is hereby given that a mortgagee's title insurance policy is to be issued to your mortgage lender and that such policy does not afford title insurance protection to you in the event of a defect in the title to the real estate which you are acquiring (including but not limited to unpaid bills for labor and material, forgeries, missing heirs, unpaid taxes, etc.). You are hereby advised of your right and opportunity to obtain an owner's title insurance policy in your favor for the amount of your purchase price (or the amount of your purchase price, plus the cost of any improvements which you anticipate making).

The said requirement directs that you sign the statement below if you do not wish to purchase this protection.

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Name of company issuing policy

by

title

This is to certify that the foregoing notice of right to purchase owner's title insurance policy for the protection of the undersigned purchaser has been received and the undersigned purchaser hereby waives such right. It is understood and agreed that (name of company) shall have no responsibility to the undersigned purchaser for the status of the title to the real estate being acquired or for any loss by reason of a complete or partial failure of title.

Signature of mortgagor/purchaser

§ 126.2. Filing requirements.

The original of the executed notice waiver shall be filed with the title insurance company insuring the title to the mortgagee and kept on file for a period of not less than 20 years after the policy of title insurance issued to the mortgagee lender has been issued. In lieu of retaining the original copy, the title insurance company may in the regular course of business, establish a system whereby the executed notice and waiver be copied or reproduced by any photographic, photostatic, microfilm, miniature photographic or other process which accurately reproduces or forms a durable medium for reproducing the original.

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