

Basic Manual Update Series

Countdown to November 1

by Roland Love, TLTA Regulatory Committee Chair

INSTALLMENT 4

SIMULTANEOUS ISSUANCE OR OWNER'S POLICY AND LOAN POLICY: R-5

R-5.F could be more accurately described as the contemporaneous issuance of both an owner's and loan policy, but the term "simultaneous" emphasizes that this rule applies specifically when issuing a loan policy together with an owner's policy during the same transaction. In many cases, especially in large non-residential transactions, the purchase portion of the transaction is ready to close before the financing arrangements are finalized. As indicated, this rule is:

1. for non-residential real property,
2. for loan policies of \$1,000,000 or more, and
3. the Loan Policy must be issued within 90 days after the date of the Owner's Policy.

Additionally, the ownership of the Land may not have changed since the Owner's Policy was issued, and the Loan Policy (or policies) must be issued by the same Title Insurance Company(ies) that issued the Owner's Policy. As a result, the premium for each Loan Policy is \$100.00.

The remaining parts of R-5 are not restricted by the type of real property or a dollar amount threshold. They also do not allow the 90-day window to close and are truly simultaneous. R-5.B, .C, and .D are being amended to clarify that using the simultaneous issue discount does not prevent the use of other discounts allowed by the Rate Rules.

[Review the revised R-5 here »](#)