

### 2018 Adopted Housekeeping Rule Amendments – TLTA Analysis Chart

Agenda Item	Title	Rule/Form	Description
<a href="#">Item 2017-1</a>	Procedural Rule P-58, Report on Directly Issued Policy	P-58	Report on Directly Issued Policy, to replace the term "TDI Agency/Direct Operation Company Number" with "Firm ID Number."
<a href="#">Item 2017-2</a>	Form T-00, Verification of Services Rendered	T-00	Verification of Services Rendered, to clarify that title insurance companies and title agents completing the form must list Firm ID Numbers where indicated. TDI also changes "#" to "Number" on the form.
<a href="#">Item 2017-3</a>	Form T-G1, Policy Guaranty Fee Remittance Form	T-G1	Policy Guaranty Fee Remittance Form, to clarify that title agents completing the form must list Firm ID Numbers where indicated.
<a href="#">Item 2017-4</a>	Form T-S3, Solvency Account Release Request	T-S3	<p>Solvency Account Release Request, to specify that a title agent may request the release of funds held in a solvency account if the agent later uses an alternative form of unencumbered assets to comply with Insurance Code §2651.012. This amendment, along with Item 2017-20, provides a mechanism allowing a title agent to request the release of funds held in a solvency account if the agent uses another permissible means of meeting the minimum capitalization requirements in Insurance Code §2651.012. This allows title agents greater flexibility to continue meeting financial requirements.</p> <p>The amendments also clarify that the requesting title agent must list its Firm ID Number where indicated. Finally, the amendments clarify that the written notice to interested parties by a title agent ceasing operations must identify the companies that have custody or control of the files, and require that the notice include the contact information of those companies. This amendment helps ensure that interested parties in pending transactions know which companies are taking custody and control of the files for their transactions when a title agent ceases business.</p>

<a href="#">Item 2017-5</a>	Form T-S4-A, Financial Matter Disclosure Report	T-S4-A	Financial Matter Disclosure Report, to clarify that title insurance companies must list a title agent's Firm ID Number when providing information to TDI under Administrative Rule S.4 of the Basic Manual. TDI also changes "#" to "Number" on the form.
<a href="#">Item 2017-6</a>	Form T-S1, Title Agent's Unencumbered Assets Certification	T-S1	<p>Title Agent's Unencumbered Assets Certification, to remove the "Reporting for Year" field on Form T-S1 to help ensure that title agents report the minimum capitalization compliance method currently used by the agency (in other words, the current year's information), and not information that applies to the previous year. This amendment will provide TDI with current information about a title agent's method of compliance with the requirements of Insurance Code §2651.012. Form T-S1 already contains a field for "Date of Review," which will identify the current year, so the "Reporting for Year" field is unnecessary and has been deleted.</p> <p>The amendments also clarify that a title agent completing Form T-S1 must list its Firm ID Number.</p>
<a href="#">Item 2017-7</a>	Administrative Rule S.1, Minimum Capitalization Standards For Title Agents Pursuant To §2651.012 And Certification And Procedure To Determine Value Of Assets Pursuant To §2651.158	S.1	<p>Minimum Capitalization Standards for Title Agents Pursuant to §2651.012 and Certification and Procedure to Determine Value of Assets Pursuant to §2651.158.</p> <p>Paragraph II.C of the rule is amended to provide that, when determining the time that a title agent has been licensed for the purpose of applying the rule's schedule for compliance with minimum capitalization amounts, the start date is the date on which the title agent was first assigned either a Firm ID or a Title Agent Company ID Number. This amendment will reduce confusion about how to determine the start date.</p> <p>The amendments delete Paragraph III.B to remove an obsolete provision requiring title agents to submit Form T-S1 between September 1, 2014, and August 31, 2015. That paragraph explained that sending Form T-S1 in with the annual escrow audit report was only a one-time requirement, in 2014 and 2015. Current Paragraph III.C (proposed Paragraph III.B) of the rule explains that Form T-S1 is now due in September every year.</p>

			<p>Amendments to current Paragraph III.C (proposed Paragraph III.B) provide that title agents must report on Form T-S1 the minimum capitalization compliance method currently used by the agent (in other words, the current year's information), and not information that applies to the previous year. This amendment will provide TDI with current information about a title agent's method of compliance with the requirements of Insurance Code §2651.012.</p> <p>Amendments to current Paragraph III.E. (proposed Paragraph III.D) specify that title agents that file the form electronically should send it by email to the TDI Title Examinations email address. This amendment will reduce confusion about where and how to file the form electronically.</p>
<a href="#">Item 2017-8</a>	Form T-S5, Title Agent Certification of Agent's Quarterly Tax Reports	T-S5	Title Agent Certification of Agent's Quarterly Tax Reports, to clarify that the identification number a title agent completing Form T-S5 must list is the title agent's Firm ID Number.
<a href="#">Item 2017-9</a>	Administrative Rule S.5, Filing of Title Agent's Quarterly Withholding Tax Report	S.5	<p>Filing of Title Agent's Quarterly Withholding Tax Report, to clarify that agents must file Form T-S5, Title Agent Certification of Agent's Quarterly Tax Reports when submitting their quarterly withholding tax reports and evidence that taxes have been paid. The certification in Form T-S5 already indicates that the form must be filed at the same time that a copy of the quarterly withholding tax report is submitted to TDI. Accordingly, the amendments to Administrative Rule S.5 specifically discuss the submission of Form T-S5 and will reduce the chance of confusion about the timing of submission.</p> <p>This item also clarifies that agents must use Form T-S5 when certifying that they do not have any employees for whom withholding taxes were required. The certification in Form T-S5 already indicates that this form is used to certify when an agent did not have any employees for whom withholding taxes were required. Accordingly, the amendments to Administrative Rule S.5 specify the use of Form T-S5 to make the certification. The amendments also clarify that the certification must be submitted by the same deadlines required for the submission of withholding tax reports. This will reduce the chance of confusion about the timing of submission and make the deadlines consistent regardless</p>

			<p>of whether the agent has or does not have withholding tax reports.</p> <p>Finally, the amendments specify that title agents that file electronically should send the reports and certification by email to the TDI Title Examinations email address. This amendment will reduce confusion about where and how an agent can file electronically.</p>
<a href="#">Item 2017-10</a>	Procedural Rule P-19, Pending Disbursements	P-19	<p>Amends Procedural Rule P-19 to:</p> <p>--more clearly reference the "Pending Disbursement" paragraph in Procedural Rule P-8.b.(1),</p> <p>--add the title "Pending Disbursements" to the rule. Procedural Rule P-19 is the only rule that does not currently have a title.</p>
<a href="#">Item 2017-11</a>	Procedural Rule P-64, Subordinate Liens and Leases - Pursuant to Procedural Rule P-11.b.(8)	P-64	<p>64, Subordinate Liens and Leases - Pursuant to Rule P-11.b.(8), to:</p> <p>--add the word "Procedural" to the title to clarify that the referenced rule is a procedural rule,</p> <p>--correct the reference to the Loan Policy form number from T-1 to T-2, and</p> <p>--change the term "Mortgagee Policy" to "Loan Policy."</p>
<a href="#">Item 2017-12</a>	Form T-44, Texas Residential Limited Coverage Junior Loan Policy Combined Schedule	T-44	<p>Texas Residential Limited Coverage Junior Mortgagee Policy Combined Schedule, to change the term "Mortgagee Policy" to "Loan Policy" and to add the form number after the form name to conform with the rest of the Basic Manual.</p>
<a href="#">Item 2017-13</a>	Form T-45, Texas Residential Limited Coverage Junior Loan Policy Down Date Endorsement	T-45	<p>Texas Residential Limited Coverage Junior Mortgagee Down Date Endorsement, to conform with the rest of the Basic Manual by:</p> <p>--changing the term "Mortgagee Policy" to "Loan Policy,"</p>

			<p>--adding the form number after the form name, and</p> <p>--capitalizing "Company" in the one place where it is lowercase.</p>
<a href="#">Item 2017-14</a>	Procedural Rule P-9, Endorsement of Owner's or Loan Policies	P-9	<p>Endorsement of Owner or Mortgagee Policies, to:</p> <p>--change the terms "Owner Policy" to "Owner's Policy" and "Mortgagee Policy" to "Loan Policy,"</p> <p>--update references to government agency loan programs to use the current names of the programs,</p> <p>--update or clarify other references, such as updating endorsement names in a consistent manner and clarifying references to applicable parts of the Form T-3 Endorsement Instructions,</p> <p>--specify in Procedural Rule P-9.b.(1) and (2) that companies may issue a General Endorsement (Form T-3) upon payment of the premium prescribed by Rate Rule R-11.a., and may issue the endorsements described in Procedural Rule P-9.b.(6) upon payment of any premium prescribed by Rate Rule R-11.d.</p> <p>--delete Part b.(12) of Procedural Rule P-9 because it refers to an endorsement that was deleted in 2010,</p> <p>--update the reference to Rate Rule R-11.j (formerly R-11.k) in current Procedural Rule P-9.b.(13) (proposed P-9.b.(12)),</p> <p>--update the reference to Rate Rule R-11.k (formerly R-11.l) in current Procedural Rule P-9.b.(14) (proposed P-9.b.(13)),</p> <p>--update the reference to Rate Rule R-11.l (formerly R-11.m) in current Procedural Rule P-9.b.(15) (proposed P-9.b.(14)), and</p> <p>--in current Procedural Rule P-9.b.(15) (proposed P-9(b)(14)), remove the stipulation that a company may issue a Condominium Endorsement on or after the effective date of Rate Rule R-11.m because that rule is already effective.</p>

<a href="#">Item 2017-15</a>	Procedural Rule P-27, Disbursement from Escrow or Trust Fund Accounts	P-27	Disbursement From Escrow or Trust Fund Accounts, to revise capitalization in two places, simplify a reference to location, and update two statutory references.
<a href="#">Item 2017-16</a>	Procedural Rule P-45, Texas Reverse Mortgage Endorsement	P-45	Texas Reverse Mortgage Endorsement, to conform the rule and form to current constitutional law. Senate Joint Resolution 18, 83rd Legislature, Regular Session (2013), amended Article XVI, Section 50(k) of the Texas Constitution, which authorizes reverse mortgages on homestead property. The constitutional amendment revised some of the requirements for reverse mortgages, including requirements related to the coverage offered under the Texas Reverse Mortgage Endorsement (Form T-43).
<a href="#">Item 2017-17</a>	Form T-43, Texas Reverse Mortgage Endorsement	T-43	<p>The coverage provisions in subsections 3.(iii) and 3.(iv) are affected by the amendment of Article XVI, Section 50(k) of the Texas Constitution. Subsection 3.(iii) provides coverage against loss resulting from the invalidity or unenforceability of an insured mortgage lien by reason of the failure of the owner to sign a document purporting to be made pursuant to Subsection (k)(8) of Section 50, Article XVI, Texas Constitution. SJR 18 changed the documentary requirement in Subsection (k)(8) of Section 50, Article XVI, Texas Constitution, to apply to the owner and owner's spouse instead of just the owner. The proposal amends Form T-43 to reflect that change.</p> <p>The proposal makes a similar change in Item 2017-16 to Procedural Rule P-45.G, which includes the procedural requirements for providing coverage under subsection 3.(iii) of Form T-43. Amendments to Procedural Rule P-45.G reduce confusion by more clearly referencing the document to be signed by the borrower and borrower's spouse and more closely tracking the language in Subsection 3.(iii) of Form T-43.</p> <p>Additionally, Form T-43, Subsection 3.(iv) provides coverage for the lender against loss resulting from the invalidity or unenforceability of an insured mortgage lien by reason of the failure of the title insurance company or its title agent to furnish the owner, on the date that the owner executed the insured mortgage and the promissory note secured by that mortgage, with</p>

			<p>a copy of the written notice purporting to be made pursuant to Subsection (k)(9) of Section 50, Article XVI, Texas Constitution. SJR 18 changed the content and timing of the written notice. As amended, Subsection (k)(9) requires the written notice to be provided at least 12 days before the closing. Form T-43 is designed to affirmatively insure against matters that the title company can verify at closing. Because the written notice under Subsection (k)(9) must now be provided at least 12 days before closing, rather than at closing, title companies cannot reasonably verify the buyer's timely receipt of that notice. Accordingly, the proposal amends Form T-43 to delete subsection 3.(iv).</p> <p>Procedural Rule P-45 is amended to reflect the proposed deletion of subsection 3.(iv) from Form T-43, by deleting Subsection H. and revising Subsection G. It is also amended to update a statutory reference.</p> <p>Finally, Procedural Rule P-45 is amended to conform with the rest of the Basic Manual by:</p> <ul style="list-style-type: none"> <li>--changing "Mortgagee Policy" to "Loan Policy,"</li> <li>--making other minor editorial changes, and</li> <li>--more clearly referencing form and procedural rule numbers.</li> </ul>
<a href="#">Item 2017-18</a>	Form T-51, Purchaser/Seller Insured Closing Service Letter	T-51	Purchaser/Seller Insured Closing Service Letter, to update statutory references and make editorial changes.
<a href="#">Item 2017-19</a>	Form T-52, Abstract Plant Information	T-52	Abstract Plant Information, to provide captions under certain questions, to conform the language in the form to the rest of the Basic Manual, and to make editorial changes. The captions provide guidance and clarity to help ensure that TDI receives the correct information.
<a href="#">Item 2017-20</a>	Administrative Rule S.3, Title Agent Requirements, Procedures, and Forms for Obtaining Release of Assets in Accordance with Insurance Code §2651.012(B) or §2651.0121.	S.3	Title Agent Requirements, Procedures, and Forms for Obtaining Release of Assets in Accordance With Insurance Code §2651.012(B) or §2651.0121, to add a provision allowing a title agent to request a release of unencumbered assets held in a solvency account if the

			<p>title agent begins using an alternative form of unencumbered assets to comply with Insurance Code §2651.012. This amendment, along with Item 2017-4, provides a mechanism allowing a title agent to request the release of funds held in a solvency account if the agent uses another permissible means of meeting the minimum capitalization requirements in Insurance Code §2651.012. This allows title agents greater flexibility to continue meeting financial requirements.</p> <p>Administrative Rule S.3 is also amended to harmonize with certain changes to Form T-S3 proposed in Item 2017-4. Those changes will clarify that the written notice to interested parties by a title agent ceasing operations should identify the companies that have custody or control of the files, and require the title agent to include the contact information of those companies. This amendment helps ensure that interested parties in pending transactions know which companies are taking custody and control of the files for their transactions when a title agent ceases business. Finally, amendments to Administrative Rule S.3 correct a statutory citation in the title and more clearly reference a form number to conform with the rest of the Basic Manual.</p>
<a href="#">Item 2017-21</a>	Rate Rule R-11, Loan Policy Endorsements	R-11	<p>Loan Policy Endorsements, to update references to Procedural Rule P-9.b.(13), b.(14), and b.(15). These parts in Procedural Rule P-9 were renumbered because Procedural Rule P-9.b.(12) is proposed for deletion in Item 2017-14.</p> <p>Rate Rule R-11 is also amended to more clearly reference form and rule numbers, to conform with the rest of the Basic Manual.</p>