



FAQs

Re NATIONAL BULLETIN 20-01

RECORDING OFFICE DISRUPTIONS AS A RESULT OF COVID-19

GAP-RELATED FAQs:

1. Is Alliant National continuing to cover the gap when recording offices experience delays or closures?

Yes, subject to the instructions in the section titled “Traditional search available, but no recording available” in Bulletin 20-01, Alliant National is continuing to insure the gap despite interference with normal recording office procedures.

2. What is an acceptable gap?

This differs among jurisdictions. Contact your Alliant National underwriter if you have questions or concerns about the gap period applicable to your transaction.

3. So far, there have been no adverse actions taken at my county level, so is there anything I need to do?

You should include the Note found at the end of Bulletin 20-01 in all commitments going forward. Otherwise, if there have been no local disruptions, there are no immediate changes you need to make to your current practices. However, you should keep informed of the status of county recording offices and be prepared to act quickly should you discover that an office is falling behind or has closed. There is no need to obtain the Gap Affidavit and Indemnity until you determine that the recording office is either about to, or has, fallen behind or closed.

4. How will we know if the recording offices are closed?

If you are uncertain, call or email the recording office, check with your state’s land title association (many of which are maintaining county closure registries), or the American Land Title Association, which maintains a nationwide county closure registry. Helpful links can be found at: <https://alliantnational.com/coronavirus/>. Keep in mind that the state and national registries are more likely to be reactive than proactive, so may not be fully current. Contact your Alliant National underwriter if you have further questions.



5. Is any special language or endorsement required to communicate that gap coverage is being provided?

It depends on the state in which the land is located. Some states do not permit gap coverage unless a gap endorsement is issued. If you are in a gap endorsement state, you will still need to issue the customary gap endorsement if gap coverage continues to be warranted. If you are not in a gap endorsement state, note that the ALTA 2016 Owner's and Loan Policies of Title Insurance include gap coverage as a Covered Risk in the policy jacket (Covered Risk 10 in the Owner's Policy, and Covered Risk 14 in the Loan Policy). Note that if you are in a promulgated form state, this coverage may be located elsewhere in the policies.

6. Does the Recording Gap Affidavit and Indemnity identified in Bulletin 20-01 replace my usual title affidavit?

No, the Recording Gap Affidavit and Indemnity is intended to be used in addition to your usual title affidavit.

7. Do I have to use the exact Recording Gap Affidavit and Indemnity for borrowers and sellers that was attached to Bulletin 20-01?

No, you do not have to use the form exactly as provided, so long as you obtain adequate assurance from all sellers and borrowers, as applicable, that they have not, nor do they intend to, cause any matters to be filed in the gap, and you obtain proper indemnification to Alliant National Title Insurance Company from the signers should any gap matters arise.

8. Q: Does the lender have to sign the Recording Gap Affidavit and Indemnity?

No, the lender does not have to sign the Recording Gap Affidavit and Indemnity.

SEARCH-RELATED FAQs:

1. What if title records are unavailable, or limited, from the county, and I can't perform a full search?

Contact your Alliant National underwriter for direction.

2. Can I obtain title records from a source other than the one I am accustomed to using?

If adequate and reliable title records are available from another source, such as a title plant, you may be able to utilize that source, to the extent the jurisdiction allows you to rely on the source. In all cases, should you have any doubts or questions, contact your Alliant National underwriter for direction.



COVID-19 NOTICE AND REQUIREMENT LANGUAGE-RELATED FAQs:

1. Does the lender have to sign the COVID-19 Notice of Possible Delays?

While we would prefer to have all Proposed Insureds sign the Notice of Possible Delays, you may waive the lender's signature so long as you have provided written notice of the potential for delays to the lender. The best way to provide this notice is by including a copy of the Notice with your commitment when it is delivered to the lender. If you provide notice by any other means, be sure you document in your records that notice was provided.

2. What do I do if recording office delays or closures may result in my being unable to meet deadlines laid out in the lender's closing instructions?

Provide written notice to the lender of the delays, or potential delays, and obtain supplemental written instructions from the lender that allow for greater flexibility in any timeframes that the recording office delays may impact.

3. Does my commitment need to contain the exact language that is specified for the required Note as it appears at the end of Bulletin 20-01?

No, the important thing is that you are following the spirit of the bulletin, if not necessarily its exact language. Alliant National recognizes that you may have one or more other underwriters that have provided similar instructions, but with differing language. For Alliant National's purposes, you may revise the Note language such that you meet all underwriters' requirements. Contact your Alliant National underwriter if you would like assistance with crafting adequate Note language. This instruction is not intended as advice about revising any other underwriter's language.

4. Should the COVID-19 Note regarding the right to add additional Requirements or Exceptions be carried forward to the final policy? What if a lender objects to it appearing in the commitment?

No, the Note should not be carried forward to the final policy. It is acceptable to include a statement that the Note will not appear in the final policy, similar to the following:

The Company reserves the right to add additional Requirements or Exceptions, and to notify you prior to closing that it will not issue a final title insurance policy, based upon the details of the transaction, a review of the closing documents, and changes to the availability of recording and title searching capabilities resulting from reactions to the COVID-19 virus.

This Note will not appear in any final title insurance policy issued.