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Hello, Suzanne.

I have a **Bulletin** for you regarding **Reconveyance Fees in Texas**.

Continue reading below.

Regards,
Shannon Skurner



"Reconveyance Fees" or Private Transfer Fees

"Reconveyance Fees" or private transfer fees have been marketed as a means for landowners and/or designated beneficiaries to receive continuing payments nearly every time the subject property is conveyed for a period of up to 99 years. In 2007, Texas adopted legislation that rendered many of these proposed fees void in connection with residential property. However, there has been a recent resurgence of parties attempting to create these types of reconveyance or private transfer fees by imposing same in declarations, covenants and/ or restrictions filed for record. These declarations, covenants and/or restrictions typically provide a conveyance by the person or entity creating the declaration, covenant and/or restriction is exempt from the reconveyance or transfer fee.

There are many potential problems and liabilities associated with collecting and remitting these fees. Old Republic is willing to insure properties in Texas affected by a reconveyance or private transfer fee providing the following underwriting guidelines are met:

- 1.) The owner conveying the property also created the declaration, covenant and/or restriction attempting to impose the reconveyance fee or transfer fee;
- 2.) The declaration, covenant and/or restriction specifically provides that a conveyance by the owner creating the declaration, covenant and/or restriction (often "Declarant") is exempt from the reconveyance or transfer fee;
- 3.) The purchaser executes a notice in the same or similar form as that shown on the attached exhibit regarding the reconveyance or private transfer fee; and
- 4.) The instrument creating the reconveyance or private transfer fee is reflected as an exception in Schedule B, Item 1 and the following specific exception is made on all commitments and title policies issued:

Reconveyance and/or transfer fees together with any liens securing same created in covenants, conditions and/or restrictions filed for record under County Clerk's File Number ____ in the Official Public Records of ____ County, Texas.

Old Republic Title declines to insure any subsequent conveyance of property affected by reconveyance or private transfer fees unless the covenants, conditions and/or restrictions creating same are fully released by the proper parties.

Old Republic Title will continue to insure properties affected by restrictions or other covenants running with the land that require a fee associated with the conveyance of property in a subdivision that is payable to:

- (1) a property owner's association that manages or regulates the subdivision or the association's managing agent if the subdivision contains more than one platted lot;
- (2) an entity organized under Section 501(c)(3), Internal Revenue Code of 1986; or
- (3) a governmental entity.

To view and/or download **The Reconveyance Notice** as a **Word** document, click [here](#).

To view and/or download **The Reconveyance Notice** in **PDF** format, click [here](#).

For questions or additional information, please telephone David Rhodes, Lisa Beville or Steve Streiff in our Legal Department.



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