

Title

FREQUENTLY ASKED ^ QUESTIONS

January 2016

Q How do we document that an owner has waived owners title insurance coverage?

A Use the attached form.

NJSA 46:10A-3 provides

Whenever in connection with the making of a real estate purchase money mortgage loan upon a 1, 2, 3 or 4 family dwelling house for a term exceeding 2 years, the mortgagee requires the issuance of a mortgagee policy of title insurance, the company issuing the policy of title insurance shall prior to the disbursement of the mortgage funds cause the mortgagor to be advised in writing of the fact that a mortgagee title insurance policy is to be issued, the name or names of the insured under said policy, and of the face amount of such policy. Such notice shall also advise the mortgagor of his right and opportunity to obtain title insurance in his own favor if the same has not already been ordered or obtained.

It is wise to apply this to both residential and commercial transactions despite the language of the statute.

While the attached form does not address the opportunity to consult with an attorney, where the buyer is not represented by counsel, it is advisable to include a statement to that effect on the form. The following may be useful: "I have been advised that I should consult an attorney of my choosing in connection with my decision to decline owners title insurance and have chosen not to do so."

As always, feel free to address any questions to a member of our underwriting staff.

NOTICE AND WAIVER

Pursuant to the Laws of the State of new Jersey, notice is hereby given that a mortgagee policy of title insurance is to be issued to _____, the prospective mortgagee in the amount of \$ _____, and that you may obtain an Owners Title Insurance Policy in your favor at an additional premium for the amount of your purchase price if not already ordered or obtained.

The Law requires that you sign the statement below if you do not wish to purchase this protection

This is to certify that (I) (We) as purchase money mortgagors have been notified that (I) (We) may purchase an Owners Policy of Title Insurance in (My) (Our) favor, and state that (I) (We) do not wish to purchase this protection.

Dated: _____

Disregard this form if not a purchase money mortgage made in the course of the purchase of a 1 to 4 family residence.