



DOING THE MATH

SIMULTANEOUS ISSUE OWNER'S AND LOAN POLICIES

Seller Pays for Owner's Policy

CFPB Regulations states that the amount of the premium for the Lender's Title Insurance must be disclosed without any adjustments to the premium that might be made for the simultaneous purchase of an Owner's Title Policy.

(Comment 37(f)(2)-4)

CFPB Model H-25 - Fixed Rate Purchase Transaction

Sales Price = \$180,000 = Owner's Policy Liability Amount

Loan = \$162,000 = Loan Policy Liability Amount

Premiums for Property Located in Texas

Full Rate for \$180,000 Owner's Policy = \$1,318

Full Rate for \$162,000 Loan Policy = \$1,218

Simultaneous Issue Rate for \$162,000 Loan Policy = \$100

Closing Disclosure (According to CFPB Regulations)

Page 2. Section B or C:

Title - Lender's Title Insurance - Borrower-Paid at Closing = \$1,218

The Math: Full rate for loan policy

Page 2. Section H:

Title - Owner's Title Insurance (Optional) - Seller-Paid at Closing = \$200

The Math: \$1,318 + \$100 - \$1,218 = \$200

The Formula: Full Rate for Owner's Policy + Simultaneous Rate - Full Rate for Loan Policy

Page 3. Section L:

Adjustment for Title Insurance Premiums = \$1,118

The Math for Borrower: \$1,218 - \$100 = \$1,118

The Explanation: Borrower was charged \$1,218 for the policy that actually costs \$100 -- so adjustment from seller for the difference.

Page 3. Section N (charges to seller -- can put on a line opposite borrower credit):

Adjustment for Title Insurance Premiums = \$1,118

The Math for Seller: \$1,318 - \$200 = \$1,118

The Explanation: Seller was charged \$200 for the policy that actually costs \$1,318 -- so adjustment to buyer for the difference.



TRINITY TITLE
OF TEXAS

DOING THE MATH

On Page 2

Charge the Buyer the full premium for the Loan Policy -- in the sample: \$1,218

Charge the Seller the full Owner's Policy + simultaneous rate (\$100) - full Loan Policy -- in the sample: \$200

Closing Cost Details

Loan Costs		Borrower-Paid		Paid by Others
		At Closing	Before Closing	
C. Services Borrower Did Shop For				
01	Title - Loan Policy to ABC Title Company	1,218.00		
02				
03				

Other Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
H. Other						
01	Title - Loan Policy to ABC Title Company (Optional)			200.00		
02						
03						

On Page 3

Charge the Seller and Credit the Buyer with an "adjustment" so that each pays the correct premium.

To do the math and proof your results

Buyer should pay \$100 -- so full Loan Policy of \$1,218 - \$100 = \$1,118

Seller Should Pay \$1,318 -- so \$1,318 - \$200 - \$1,118

L. Paid Already by or on Behalf of Borrower at Closing		N. Due from Seller at Closing	
01	Deposit	01	Excess Deposit
02	Loan Amount	02	Closing Costs Paid at Closing (J)
03	Existing Loan(s) Assumed or Taken Subject to	03	Existing Loan(s) Assumed or Taken Subject to
04		04	Payoff of First Mortgage Loan
05	Seller Credit	05	Payoff of Second Mortgage Loan
Other Credits		06	
06		07	
07		08	Seller Credit
Adjustments		09	
08	Title - Loan Policy to ABC Title Company (Optional) 1,118.00	10	Title - Loan Policy to ABC Title Company (Optional) 1,118.00
09		11	

Look to us for custom closing on your residential, commercial or acreage real estate purchase, with title services backed by the most trusted underwriters in the industry.



TRINITY TITLE
OF TEXAS

trinitytitletx.com | f /trinitytitlesa