
COMMITMENT (CF6R)

An example of the 2016 ALTA Commitment (CF6R) jacket is attached hereto as Exhibit A. Attachment of the jacket to the 2016 ALTA Commitment Schedules A, B-I and B-II is required.

Purpose

A commitment obligates Old Republic to issue a policy to a proposed insured identified in Schedule A in accordance with the terms and provisions of the commitment. In addition, the issuance of a commitment is the first step leading to **gap** protection under Sec. 627.7841, F.S.

Signing and Issuance of the Jacket

Each page of the 2016 ALTA Commitment (CF6R) jacket and Schedules includes the following notice: *This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I – Requirements; and Schedule B, Part II – Exceptions.* Schedules A, B-I and B-II are not valid unless issued together with a jacket. The issuing title agent must sign both Schedule A and the first page of the jacket.

Issued through the Office of. Type name, address and Fund member number of issuing title agent.

Authorized Signatory. The issuing title agent signs on this line.

How Long Commitment Remains in Effect

A commitment remains in effect for a period of six months after issuance.

Commitment for Simultaneous Owner's and Loan Policies

The commitment form may be used whether the final policy is a loan policy or an owner's policy. In a closing transaction where there will be both an owner's policy and a loan policy issued concurrently or simultaneously, and when both the buyer and lender want a commitment, a duplicate commitment may be prepared.

Duplicate Jackets

To issue a duplicate commitment, insert a second copy of Schedules A and B into a second commitment jacket.

Ordering Jackets

To order a commitment jacket, refer to *Forms and Supplies*, Chapter 8, of this handbook. For information on the preferred method of obtaining forms, please see the *eSolutions for Policy Forms* and *ePolicyManager* section of this handbook.

COMMITMENT (CF6R) — SCHEDULE A

An example of the 2016 ALTA Commitment, (CF6R) – Schedule A, is attached hereto as Exhibit B. Schedule A is required.

How to Prepare the 2016 ALTA Commitment — Schedule A

Transaction Identification Data for reference only. Transaction Identification Data consist of eight (8) fields, all of which must be completed. If the information required under any of the eight (8) fields is not known, insert the word “None”. All eight (8) fields must be completed by the issuing title agent. Because these data fields are not insured, the following is provided only as guidance for the completion of those fields.

- ***Commitment Number.*** When The Fund has prepared the commitment, type the Fund File Number assigned to the commitment. If The Fund did not prepare the commitment, type your office, client, case file number or name to which the commitment relates. This reference may be identical to the “*Issuing Office File Number*” discussed below.
- ***Revision Number.*** This field relates to the number of times the commitment is revised. The number of the latest revision to the commitment is inserted in this field. If no revision has been made, type the number zero (0) or the word “None”.
- ***Issuing Office File Number.*** Type your office, client, case file number or name to which the commitment relates. This reference may be identical to the “*Commitment Number*” when The Fund has not prepared the commitment.
- ***Issuing Office.*** Type the Fund member number.
- ***Property Address.*** Type the street address of the Land to be insured. In the event the Land is undeveloped and a street address does not yet exist, insert “None”. The street address is provided as a reference only. Rule 69O-186.005 (15)(a), F.A.C. prohibits the insurance of a street address.
- ***Loan ID Number.*** Type the loan number provided by the insured lender.
- ***ALTA Universal ID.*** Type your ALTA Universal ID number. If you do not have an ALTA Universal ID number, insert the word “None”.
- ***Issuing Agent.*** Type the name of the issuing title agent (the attorney, firm or title company).

Numbered paragraphs. Numbered paragraph below and on the following page refer to the paragraph numbers on Schedule A.

Type or print the following information.

1. *Commitment Date.* Type the Commitment Date. The Commitment Date is the month, day, year, and time through which the Title has been examined. When an abstract or chain of Title is used, it is the date through which the records were searched by the abstractor. It is almost never the date on which the form is prepared. The Commitment Date is also known as the effective date.
2. *Policy to be Issued.* The commitment form is used for issuing both the 2006 ALTA owner's and loan policies. If a commitment is being issued only for an owner's policy, complete only the owner's portion of paragraph 2. If a commitment is being issued only for a loan policy, complete only the loan policy portion of paragraph 2. If a commitment is being issued for simultaneous owner's and loan policies, complete both portions of paragraph 2.

Note: To issue a commitment for simultaneous owner's and loan policies, insert a duplicate copy of Schedules A and B into a second commitment jacket.

OWNER'S

Proposed Policy Amount. This amount should be the same as the purchase price or fair market value of the estate or interest to be insured.

Occasionally, title agents find the need to issue a commitment without knowing the amount of the proposed transaction. However, pursuant to the terms set forth under "Commitment To Issue Policy" on page 1 of the commitment jacket, the commitment is effective only when the specified dollar amount and the name of the Proposed Insured is entered in Schedule A. Therefore, the amount of liability must be shown.

An alternative way of handling the situation:

The space where an amount should be inserted could be filled with the following language: "*Not to exceed \$_____.*" The amount in the blank should be filled in with an amount that the title agent can determine that the final policy will not exceed.

If this method is used, the following statement must be included under Schedule B-II: "*Old Republic National Title Insurance Company has no liability under this commitment until an endorsement is issued stating the amount of the proposed policy.*" When the Proposed Policy Amount does become known, an endorsement can be issued to delete the statement.

Proposed Insured. Type the name of the proposed purchaser, or the lessee in a lease, or the vendee or purchaser in a contract for sale.

MORTGAGEE

Proposed Policy Amount. The policy amount must be a minimum of the full amount of the Indebtedness that will be secured by the Mortgage. It cannot be less than the full principal debt secured by the Mortgage. The policy can be issued for an amount up to twenty five percent (25%) in excess of the principal debt to cover interest, foreclosure costs, etc., as set forth in Rule 69O-186.003(1)(b)2., F.A.C.

If the Proposed Policy Amount is unknown, the issuing title agent may use the following method to handle the situation:

The space where an amount should be inserted could be filled with the following language: “*Not to exceed \$_____.*” The amount in the blank should be filled in with an amount that the issuing title agent can determine that the final policy will not exceed.

If this method is used, the following statement should be included in Schedule B-II: “*Old Republic National Title Insurance Company has no liability under this commitment until an endorsement is issued stating the amount of the proposed policy.*” When the Proposed Policy Amount does become known, an endorsement can be issued to delete the statement.

Proposed Insured. Type the name(s) of the proposed lender. Occasionally, in addition to the lender, the Proposed Insured may include the Secretary of Housing and Urban Development or the words “*and/or assigns*” since many lenders hope to sell and assign their mortgages to investors. If the mortgage is VA guaranteed, also insert “*and/or the Secretary of the Department of Veterans’ Affairs, his/her successors and/or assigns, as their interests may appear.*”

3. Type the kind of estate or interest to be insured (fee simple, leasehold, easement, etc.).
4. Type the name of the owner or holder of the estate or interest as of the Commitment_Date (e.g., if fee simple, type the name of the owner; if leasehold or easement interest, type the holder of the leasehold or easement interest).
5. Type the complete legal description of the Land as it will appear in the deed, Mortgage, lease, or contract, but do not include personal property or riparian and littoral rights as a part of the description. Do not include a statement or reference to the quantity of land as a part of the description and do not include the property address or tax folio number of the parcel under number 5 of Schedule A. (Note: the property address may be included in the “Property Address” field set forth under *Transaction Identification Data* on Schedule A).

Authorized Signatory. The issuing title agent signs on this line. Under the issuing title agent’s signature, type the signer’s name, the Issuing Agent information and the Issuing Office information, which should match the information set forth in the Transaction Identification Data fields.

COMMITMENT (CF6R) — SCHEDULE B-1

An example of the 2016 ALTA Commitment, (CF6R) – Schedule B-I, is attached hereto as Exhibit C. Schedule B is required.

Schedule B is comprised of two parts, Schedule B-I and Schedule B-II.

How to Prepare the 2016 ALTA Commitment — Schedule B-I

Numbered paragraphs below and on the following pages refer to the paragraph numbers on Schedule B-I. Type or print the following information.

Issuing Office File Number. Type your office, client, case file number, or name to which this commitment relates. This information should match the “*Issuing Office File Number*” set forth under the Transaction Identification Data on Schedule A.

1. This item requires the issuing title agent to disclose to the Company prior to closing, the name of any party not referred to in Schedule A of the commitment who will obtain an interest in the Land or who will make a loan on the Land. Schedule A of the commitment must be amended to reflect any such disclosures. Additional Requirements or Exceptions may be necessary.
2. *Payment of agreed amount.* This item can be deleted or waived only if at closing, the issuing title agent is satisfied that full payment as required by the commitment has been made and additional conditions related to payment have been met.
3. *Payment of premiums, fees, and charges for the Policy.* This item may be deleted in conjunction with item number 2 above.
4. *Documents to be obtained.* This space is for showing items called for by the commitment to be obtained creating the interest to be insured before a policy can be issued.
 - A. Show that a Warranty Deed (or document vesting title in the insured owner) must be executed and recorded. Name the grantors who will execute the deed.
 - B. Show that a Mortgage must be executed. Name the person (mortgagor) who will execute the mortgage.

Additional Requirements may be added. Type consecutively numbered paragraphs containing all defects and objections which will be cleared before the policy can be issued. Examples include the satisfaction of prior mortgages and clearance or release of liens.

COMMITMENT (CF6R) — SCHEDULE B-II

An example of the 2016 ALTA Commitment, (CF6R) – Schedule B-II, is attached hereto as Exhibit D. Schedule B-II is required.

How to Prepare the 2006 ALTA Commitment (CF6R) — Schedule B-II

Issuing Office File Number. Type your office, client, case file number, or name to which this commitment relates. This information should match the “*Issuing Office File Number*” set forth under the Transaction Identification Data on Schedule A.

Numbered paragraphs below and on the following pages refer to the paragraph numbers on Schedule B-II. Type or print the following information.

Gap Liability

1. This exception excludes from coverage defects or adverse matters that first appear in the Public Records in the *gap*. That is, for matters first appearing in the Public Records in the period between the last Commitment Date of the commitment and the updated Commitment Date prior to closing and the recording date of the documents giving rise to the estate or interest being insured.

Sec. 627.7841, F.S., makes it mandatory for all title insurance underwriters in Florida under certain circumstances to insure against Title encumbrances recorded in the gap. It is important to understand the circumstances under which the gap coverage is provided under this law:

- To insure the gap, there must always be a commitment issued for a title policy since it is the Commitment Date of the commitment, also known as the effective date, that is the beginning point of the gap.
- There must be a disbursement of funds prior to the recording of the document giving rise to the interest to be insured. This document is typically a deed to the buyer or a mortgage to the lender.
- The funds must be disbursed by the issuing title agent, its officers or employees. The law does not provide gap coverage if someone other than one of those named above is responsible for the disbursing of the funds. The “responsibility for the disbursing” of the closing funds includes giving specific authorization to another party to make the final disbursements.

In order to provide the most protection to Old Republic, title agents are required to do the following:

- An affidavit of the seller or borrower must be obtained, stating that there are no matters pending against the affiant that could give rise to a lien that would attach to the Land between the Commitment Date of the commitment and the recording of the interest to be insured, and that the affiant has not and will not execute any document that would adversely affect the Title or interest to be insured;
- At the time of closing or before, the title search and examination must be updated to be as current as is practical to determine the status of the Title prior to disbursing; and

- It is expected that the title agent will record the deed or Mortgage as soon as is reasonably possible after the closing and disbursing of funds.

Since Sec. 627.7841, F.S., automatically mandates gap protection if its requirements are met, it is not necessary to delete Paragraph 1 of Schedule B-II. However, some lenders may require that section to be deleted at the time of closing and this procedure is authorized if the requirements as enumerated above have been followed by the title agent. See TN 25.02.07 if the lender requires that the gap exception be deleted from the commitment.

2. The standard exceptions referred to in paragraphs 2(a) through 2(e).

The lien for taxes may be waived between November 1 and December 31 of the year in which taxes are due, provided they have been paid and the following is inserted under Schedule B-II:

FOR INFORMATIONAL PURPOSES ONLY: Taxes for the year _____ which have been paid under receipt number _____, on _____, Folio No. _____, the gross amount being \$_____.

Great care must be taken in waiving exceptions 2(a) through 2(e). These items are rarely waived in any form of a commitment but may be waived in the final policy if the necessary affidavits, survey, and releases of liens are furnished to you. See TN 25.03.07.

3. Certain underwriting requirements must be satisfied before the general sovereignty lands exception may be waived. See TN 32.01.02 for requirements to waive the general sovereignty lands exception.

Additional Exceptions may be listed by number. For example, 4., 5., 6., 7., etc. This space is for inserting, by consecutively numbered paragraphs, all matters such as easements, restrictions, leases, encumbrances, defects, etc., which must be excepted under Schedule B-II.

- Set forth restrictions and easements in detail with recording source, instrument number, or book number and page number.
- Specific, not blanket exceptions for easements, restrictions, etc., of record should be made.
- All exceptions appearing in prior exposures and Title Assumption Certificates used as a title base must appear as exceptions in the commitment unless they no longer affect Title.
- If the interest to be insured is that of a contract vendee, the terms of the contract and other matters must be specifically excepted in Schedule B-II. See TN 9.02.02.
- If it cannot be determined from the examination of the title that there is a way of ingress and egress to and from the Land, the following language must appear under Schedule B-II: *“This commitment excludes coverage for loss or damages for lack of access to the Land.”*
- If applicable, an exception shall be made as to riparian and littoral rights, filled-in lands, tidelands, lands comprising the shores and bottoms of navigable waters and lands beyond the harbor or bulkhead lines as established by governmental authority.

- If the Land is a condominium, refer to TN 8.05.03 for the required exceptions.

Distribution. Send the original commitment, which must include both the jacket and schedules, to the Proposed Insured. Make sure that both page 1 of the jacket and Schedule A are signed by the issuing title agent. Keep a copy for your files.