

Chicago Title Insurance Company  
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Rates for Title Insurance Premiums in the District of Columbia

**Table of Contents**

Introduction and General Guidelines .....	1
Commitments for Title Insurance .....	2
Basic Rates for Owner’s Policies .....	2
Reissue Rates for Owner’s Policies.....	3
Basic Rates for Homeowner’s Policies .....	4
Upgrades from Standard Owner’s Policies .....	4
Basic Rates for Standard Loan Policies .....	5
Reissue Rates for Standard Loan Policies.....	6
Simultaneous Issue Rates .....	7
Rates for Assignments of Mortgage.....	8
Rates for Extensions or Modifications of Mortgages.....	8
Rates for Expanded Loan Policies .....	9
Miscellaneous .....	10
Rate Tables .....	Schedule A

# **TITLE INSURANCE RATES FOR THE DISTRICT OF COLUMBIA**

**Effective December 1, 2008**

## **Introduction and General Guidelines:**

In addition to insuring titles to real property, Chicago Title Insurance Company (the Company) offers a wide variety of related services designed to meet the needs of our customers. Prices for these services will be quoted upon request. Premium rates quoted in this booklet are for basic title insurance coverage only. The title insurance rates listed in this booklet do **not** include charges for the following:

1. Assumption of extraordinary risks (i.e. for special title policy endorsements, certain affirmative insurances or unusual title coverages);
2. Title searches and abstracts;
3. Judgment reports and lien certificates;
4. Attorney's fees and examination fees;
5. Document preparation;
6. Escrow or closing service; or
7. Commitments for Title Insurance.

## **Computing Title Policy Premiums:**

Except where minimum premiums are applicable, to compute any title insurance premium (for a fraction of \$1,000 of insurance coverage) round up to the nearest \$1,000 then multiply by the applicable rate per thousand dollars of insurance. For your convenience, a Table of Pre-Calculated Premiums is included as "Exhibit A" at the end of this booklet.

## COMMITMENT FOR TITLE INSURANCE

The Commitment for Title Insurance (often referred to as a binder) is an offer to insure title, subject to certain exceptions and requirements (including payment of a correct premium) which discloses the insurability of a particular interest in real property. It is not a report of title and should never be relied upon as a representation of the status of title. The Company does not authorize the issuance of its policy or policies until all requirements set forth in the Commitment have been satisfied. Any fee charged for the preparation of a Commitment shall be considered a work charge of the issuing agent or office and not a premium.

## BASIC RATES FOR OWNERS' POLICIES

The term "owner's policy" as used herein shall mean all standard ALTA Owners' Policies. It shall not include the ALTA Homeowners Policy, which is separately addressed on page 4.

**The basic rate premium for original owners' policies shall be calculated as follows:**

	Per Thousand
Up to \$250,000 of insurance written.....	\$5.70
Over \$250,000 and up to \$500,000, add.....	5.10
Over \$500,000 and up to \$1,000,000, add.....	4.50
Over \$1,000,000 and up to \$5,000,000, add.....	3.90
Over \$5,000,000, add.....	2.75

The minimum premium for an owner's policy shall be \$228.00.

### Setting the Owner's Policy Amount:

An owner's title policy insuring a fee simple estate shall be issued in an amount equal to the fair market value of the property described in the policy. Fair market value shall be presumed to be the contract sales price unless the Company is furnished with a current appraisal indicating a different value. Applications to issue an owner's policy for less than the fair market value must be approved by the Company. A leasehold owner's policy shall not be issued for less

than the fair market value of the leasehold estate described in the policy. Fair market value of a leasehold estate for a term of less than ninety-nine (99) years shall be presumed to be the lesser of (a) the sum of the rent payments called for under the terms of the lease; the amount of a current appraisal (c) the amount determined by any other reasonable method of valuation. Valuation of leasehold estates for 99 years renewable forever shall be the same as for fee simple estates.

## **REISSUE TITLE INSURANCE RATES FOR OWNERS' POLICIES**

If a new owner's or loan policy is to be issued on real property currently insured by an owner's policy issued by any title insurer within the last 10 years, then a reissue rate shall apply up to the face amount of any such owner's policy currently in effect as rounded up to the next thousand. If the amount of owner's title insurance then in effect is to be increased, then the premium for insurance coverage for any amount in excess of the insured amount of the current owner's policy must be calculated in accordance with basic title insurance rates for owner's policies in the applicable premium bracket as shown on page 2. If the new owner elects the ALTA Homeowners Policy, then the Homeowners Policy rate should be calculated in accordance with the instructions on page 4. In all cases, the burden of proving eligibility for the reissue rate premium shall be on the proposed insured who must produce a current owner's title policy for the same real property at or prior to closing. In no event shall the Company or its agents be required to calculate the premium at the reissue title insurance rate if the insured fails to produce a current owner's policy at or before closing. There shall be no limitation upon the number of times the reissue rate may be applied to a particular property.

### **Reissue Rates:**

A purchaser or lessee of the same real property from the current insured owner shall be entitled to the reissue rates calculated by applying a 40 percent discount to the standard owner's

rates, up to the face amount of the prior owner's policy, rounded to the next thousand. The minimum premium based upon reissue rates shall be \$200.00.

## **RATES FOR THE AMERICAN LAND TITLE ASSOCIATION (ALTA) HOMEOWNERS POLICY**

The ALTA Homeowners Policy is an owner's policy with enhanced coverage, which is issued only to natural persons (or trustees under inter vivos trusts) on real property improved by an owner-occupied 1-4 family residential dwelling or condominium unit. This policy may also be issued to the Insured under a current standard owner's policy issued by the Company as an "upgrade" to their current policy coverage, upon the surrender of the current policy and payment of an additional premium (see page 6). The rates for the ALTA Homeowner's Policy are 20% higher than the standard owner's premium rates.

**The basic rate premium for an original ALTA Homeowners Policy shall be calculated as follows:** Multiply the applicable title insurance rate premium for an owner's title insurance policy (see page 2) by 120%.

## **UPGRADES TO ALTA HOMEOWNERS POLICY**

An existing standard owner's policy may be "upgraded" to an ALTA Homeowners Policy by surrendering the original owner's policy and paying an additional upgrade premium. The amount of such upgrade premium shall be determined by whether or not the effective date of the policy is to be advanced. The premium for any increase above the face amount of the existing policy shall be 120% of the basic title insurance rate at the appropriate bracket.

**Policy Date Unchanged:** If the original policy date is not advanced, the premium charged for such upgrade shall be equal to 20% of the basic insurance rate charged for the existing policy.

**Policy Date Advanced:** If the original policy date is advanced to a current date, the premium charged for such upgrade shall be 120% of the reissue rates for a standard owner's title insurance policy:

In the event that the insured requests that the ALTA Homeowners Policy be issued in an amount greater than the amount of the existing standard owner's policy, then an additional premium equal to 120% of the basic title insurance rate for owner's policies in the applicable premium bracket for such additional amount must be added to any upgrade premium.

## **BASIC TITLE INSURANCE RATES FOR LOAN POLICIES**

The term "Mortgage" as used herein shall mean any instrument (including a deed of trust), securing a loan or a loan guarantee, which uses real property as collateral. The term "loan policy" shall mean all standard ALTA-promulgated loan policies including the ALTA Short Form Residential Loan Policy.

Generally, a loan policy cannot be issued for *less* than the full principal debt secured. However, a loan policy may be issued in an amount up to, but not to exceed, 125% of the principal debt to cover unamortized interest, foreclosure expenses and costs incurred by a lender in possession.

Coverage under a loan policy terminates upon the full payment or satisfaction of the debt secured by the Mortgage referred to in the policy, except when satisfied through foreclosure or the acquisition of title by deed to the insured in lieu of foreclosure. Any new Mortgage given to renew a prior debt secured by a Mortgage previously insured is considered a new transaction, creating new liability for the Company and, if insured, carries a premium at the basic title insurance rate for loan policies unless it qualifies for a reduced rate within the classification of "Reissue Title Insurance Rates for Loan Policies" as shown on page 6. The rate for title

insurance on second mortgage transactions shall be the same as the basic rates for original mortgages.

The basic premium for loan policies shall be calculated as follows:	
	Per Thousand
Up to \$250,000. of insurance written.....	\$4.50
Over \$250,000.00 and up to \$500,000, add.....	3.90
Over \$500,000 and up to \$1,000,000, add.....	3.30
Over \$1,000,000 and up to \$5,000,000, add.....	2.70
Over \$5,000,000, add .....	2.10

The minimum premium for a loan policy shall be \$200.00.

## **REISSUE TITLE INSURANCE RATES FOR LOAN POLICIES**

If the owner of real property on which a loan policy is to be issued is insured under any current owner's policy with an effective date not older than 10 years, and can produce such policy or a copy thereof at or prior to settlement, then such owner shall be entitled to the reissue title insurance premium rate on a loan policy up to the amount of such owner's policy as set forth below as rounded up to the next thousand.

The reissue title insurance rate for loan policies is applicable to all standard and short-form loan policies insuring first mortgages, second mortgages and mortgages securing construction and credit line loans.

In all cases, the burden of proving eligibility for the reissue title insurance premium for loan policies shall be on the borrower(s) who must produce a copy of a current owner's title policy for the same real property at or prior to closing. In no event shall the Company or its agents be required to calculate the premium at the reissue insurance rate for loan policies if the borrower fails to produce a copy of a current owner's policy at or before closing. There shall be no limitation upon the number of times this reissue rate may be applied to a particular property. To the extent that the amount of insurance desired under a loan policy exceeds the amount of the current owner's policy, the premium for the additional insurance coverage shall be computed at the basic title insurance rate for loan policies.

**Reissue Rates:** The reissue title insurance rates for loan policies are calculated by applying a 40 percent discount to the standard loan rates, based upon and up to the amount of the prior owner's policy, issued within the last 10 years, rounded up to the next thousand. The minimum premium based upon reissue rates shall be \$200.00.

## **RATES FOR SIMULTANEOUS ISSUE OF POLICIES**

### **Owners' and Loan Policies:**

If an owner's policy and a loan policy or policies covering the same real property are to be issued simultaneously and bear the same date, then the applicable rate shall be the basic title insurance rate for owner's policies or the reissue rate, whichever is applicable, plus **\$100.00 for each standard loan policy** simultaneously issued, and in an amount not to exceed, in the aggregate, the amount of the owner's policy. In the event that the aggregate loan policy coverage exceeds the amount of the owner's policy, then an additional premium, calculated in the appropriate bracket of the basic title insurance rate for loan policies on the amount of additional loan policy coverage, must also be charged.

In all cases, the owner's policy shall be in an amount equal to the actual purchase price of the property or, in the event that the transfer to the borrowers is unrelated to a sale of real property, in an amount equal to either the full assessed value for tax purposes or the fair market value of the property, whichever is greater.

### **Owners' and Leasehold Owners' Policies:**

Whenever an owner's policy and a leasehold owner's policy covering the same real property are to be issued simultaneously and the amount of the leasehold owner's policy does not exceed the amount of the owner's policy, the rate for the leasehold owner's policy shall be **30%** of the rate charged for the owner's policy on the fee simple estate, with a minimum charge of \$200.00.

## RATES FOR ASSIGNMENTS OF MORTGAGES

Loan policies issued by the Company automatically insure the holder of the indebtedness secured by the insured Mortgage. However, the assignee of an insured Mortgage, by presenting proof of its purchase of the indebtedness and the recording of an assignment, may obtain an endorsement to a current loan policy or, upon the surrender thereof, a new loan policy, insuring title through the date of the recording of the Assignment, at the rates below.

**The rates for endorsements of mortgage assignments are as follows:**

If issued within two (2) years after the date of the current loan policy then the premium shall be \$200.00.	
If issued more than two (2) years after the date of the current loan policy then the premium shall be calculated as follows:	
	Per Thousand
Up to \$250,000 of insurance written.....	\$ 2.00
Over \$250,000 and up to \$500,000, add.....	1.00
Over \$500,000 and up to \$ 1,000,000, add.....	.80
Over \$1,000,000 and up to \$5,000,000, add.....	.50
Over \$5,000,000 add.....	.20
Minimum premium.....	\$200.00

## RATES FOR EXTENSIONS OR MODIFICATIONS OF MORTGAGES

If the loan secured by a Mortgage which is currently insured by the company is renewed by an extension or modification agreement, then the current loan policy may be endorsed or a new loan policy issued to provide coverage up to the recording date of such agreement upon payment of a premium at the following rates. When a new loan policy is issued pursuant to the extension or modification of a loan, the original loan policy must be surrendered to the company for cancellation.

**The rates for extension or modification of mortgages are as follows:**

	Per Thousand
Up to \$250,000 of insurance written.....	\$2.50
Over \$250,000 and up to \$500,000, add.....	2.00
Over \$500,000 and up to \$1,000,000, add.....	1.50
Over \$ 1,000,000 and up to \$5,000,000, add.....	1.25
Over \$5,000,000, add.....	1.00
Minimum premium.....	\$200.00

**RATES FOR THE EXPANDED COVERAGE LOAN POLICY  
OF TITLE INSURANCE**

The ALTA Expanded Coverage Loan Policy of Title Insurance provides substantial additional protection to first lien mortgage lenders beyond those provided by the standard ALTA loan policies. It is designed primarily to be issued simultaneously with the ALTA Homeowners Policy. This policy is authorized for issuance only when insuring purchase money mortgages on real property improved by owner-occupied 1-4 family residential dwellings or mortgages which refinance them. These policies should be issued only upon a lender's request. The premium on this type of policy is 20% higher than the standard loan policy premium rates.

**ENHANCED LOAN POLICY RATES**

The basic rate premium charged for an original ALTA Expanded Coverage Loan Policy of Title Insurance shall be calculated by multiplying the basic title insurance rate for loan policies set forth on page 6 by 120%.

## MISCELLANEOUS

Insuring title to certain real property interests or appurtenances may involve extraordinary or extra-hazardous risks and the Company reserves the right in such cases to charge a premium (in addition to any other premiums referred to herein) which, in its sole discretion, is commensurate with the risk assumed.

The Company reserves the right to reject any request to issue title insurance that it deems unsatisfactory, in its sole and absolute discretion.

Agents authorized to issue title insurance policies written by the Company are its agents for this **sole** purpose and no other, do not represent the Company and shall not be deemed to have actual and/or apparent authority to act for or on behalf of the Company in any other matters.

Attorneys may be approved to certify title to land to the Company for purposes of issuance of title commitments and policies. Approved attorneys of the Company are not agents of the Company.