



Texas Commercial Endorsements

(The OTP T-1R is not addressed in this chart)

Endorsement	Coverage	Rules	Premium
<p>Access (T-23) Non-residential with improvements; LP or OTP</p>	<p>Insures that there is actual vehicular & pedestrian access per a single named street/road or highway and that the road is physically open. Survey required showing curb cuts & examination should confirm that there are no controlled access restrictive documents filed of record.</p>	<p>R-30 P-54</p>	<p>\$100 per policy, even if multiple T-23 are issued due to multiple abutting streets</p>
<p>Additional Insured (T-26) OTP; residential & non-residential property</p>	<p>Certain post-policy transferees (persons and/or entities) can be named as an insured – i.e. insured transfers title into trustee of the insured’s trust and/or the additional insured are beneficiaries or partner, members or stockholders who acquire interests per a pre-existing agreement or a family partnership or corporation. Includes Fairway endorsement option for LLCs, to prevent lapse of coverage if membership and/or management of the LLC changes and/or interests in the LLC transferred.</p>	<p>R-33 P-57</p>	<p>10% of basic rate, but not less than \$25</p>

**Adjustable Mortgage
Loan (T-33) LP**

Insures against a loss of priority due to adjustments in the interest rate.

R-11.d
R-4
P-9.b(6)

\$20 except when policy issued per P-66.B.3 & 4 and premium charged for 125% of principal amount (see R-4 for reissuance charge).

Aggregation (T-16) LP

When multiple LPs are issued simultaneously, insuring separate mortgages that secure the same loan, the T-16 “ties-in” all of the listed LPs to function as one policy with respect to payment of loss. Can include LPs issued in other states. Underwriter approval required due to aggregation amount possibly exceeding self-imposed or statutory single risk limitations of the insurer in the state of issuance.

R-11.j
P-9.b(13)

\$25

**Area & Boundary
Amendment (T-3)
OTP and LP**

Amends the survey exception to read “shortages in area”

R-16
P-2
P-8.a(2) & b.(2)

15% of basic rate for a T-1 OTP and no charge on the LP

Assignment of lien (T-3)
LP. Unless an assignee is GNMA, FNMA, VA or HUD, the endorsement may not be issued on 1-4 family residential property.

This endorsement down-dates the policy date and involves a title examination & tax certificate. Insures that the lien has been transferred to the named assignee. Allows down-dated tax exception. Also some underwriters will insure current ownership of the property if requested.

Endorsement Instruction III
R-11a
P-9.b(1) & (2)

Minimum basic rate, but in no event shall it exceed 50% of the premium paid for the original LP

Assignment of Rents and Leases (T-27);
contemporaneously issued LP; non-residential

Insures against any defect in the execution of the Assignment and that there are no prior Assignments of the Lessor's interest in the lease, including any prior assignments of rent, other than those that may be set out in Schedule B.

R-34
P-60

No charge

Completion of Improvements (T-3);
OTP and LP

As-built survey and All Bills Paid Affidavit required. Provides a down-dated policy date through completion of improvements and removes P-8 exceptions.

Endorsement Instruction II
P-8.a(2) and b(2)
P-19

No charge (T-19 and survey exception amendment charges may apply)

Contiguity (T-25 & T-25.1)
OTP and LP; non-residential

Insures that an identified boundary line of one tract is contiguous to the identified boundary line of another insured tract and there are no gaps, strips or gores between the tracts. The T-25.1 is utilized when there are 4 or more parcels or irregularly shaped tracts.

R-32
P-56

\$100

**Deletion of Arbitration
Provision Form**
LP and OTP

No charge

**Down-date (T-3);
OTP, LP & ICB**

Involves a title examination. For the LP issued with P-8 exceptions (pending disbursement & completion of improvements) and ICB, endorsement used with interim construction advances and down-dates policy coverage to date of endorsement and increases coverage amount. For the OTP issued with P-8 exceptions, endorsement increases policy amount and down-dates coverage to date of endorsement.

Endorsement Instruc-
tions VIII, V & VII
R-15.b & R-11.c
P-9.a(3) & P-9.b(4)

\$50

**Environmental Protection
Lien (T-36.1)**

Form adopted, but not available for issuance until rules adopted. Endorsement T-36 may be issued on property used or to be used for primarily residential purposes and includes multi-family, such as an apartment complex.

First Loss (T-14)
LP; non-residential

Loan must be secured by at least 2 parcels of land for LP to qualify for endorsement, but not all of collateral has to be insured in LP. The endorsement allows a loss to be recognized by the insurer if a title defect causes an impairment of value of the collateral below the outstanding balance of the debt, without requiring lender to pursue acceleration of the debt and foreclosure or action against a bond or guaranty. Insurer would pay an amount equal to whatever portion of the diminution in value of the collateral that is below the outstanding balance of the indebtedness.

R-11.i
P-9.b (11)

\$25

Future Advance Revolving Credit (T-35)
LP

Insures that the lien does not become invalid or unenforceable or suffer a loss of priority due to subsequent advances.

R-11.f
P-9.b (8)

\$50

Increased Value (T-34)
OTP

Increases policy amount. The increase would be based on market appreciation of the property, not the addition of improvements. Does not change policy date.

R-15.a
P-9.a(2)

Basic premium rate computed on the new policy amount minus the premium previously paid for the OTP and any prior T-34, but not less than minimum basic rate.

Leasehold (T-4 & T-5)
OTP and LP

Modifies policy terms to address how loss and damages are calculated.

P-9.a(1)
P-9.b(5)

No Charge

**Mineral and Surface
damage (T-19.2 and T-
19.3)**
OTP and LP

Provides coverage for damages to improvements caused by mineral exploration and/or development. Covers improvements located on property on or after policy date, but does not include damages to lawns, shrubbery or trees). Covers property improved or intended to be improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes and other property. Insurer allowed to issue applicable endorsement per parcel if policy will cover multiple parcels. Note – to issue these endorsements, the policy must contain an exclusion or an exception to coverage regarding minerals as provided in Procedural Rule [P-5.1](#).

R-29.1
P-50.1

\$50 for OTP & no charge for LP

Modification (T-38)
LP

Insures lender that the coverage under the LP has not been reduced or terminated solely by virtue of the modification, reinstatement or release. Rule prohibits issuance if additional principal or land being added and/or a new note or lien instrument with power of sale signed

R-11.b
P-9.b(3)

\$100, if issued within one year after policy date and if issued after the one year period, add an additional \$10 for each 12 month period, or portion thereof, but maximum premium may not exceed 50% of original LP premium.

Non-Imputation (T-24)
Concurrently issued OTP;
non-residential

This endorsement is used when new investors are acquiring interests in the insured entity in title. Provides assurance to an incoming partner, member, shareholder that any action or inaction or knowledge by a former partner, member, manager, officer, director or shareholder will not be imputed against the insured for purposes of denying liability under the policy under Exclusions 3(a), (b) or (e). The exiting partners, members, managers, officers, directors or shareholders must be identified by name in the first paragraph of the endorsement and the incoming partners, members or shareholders identified in the second paragraph. The exiting parties will be required to provide a Non-Imputation Affidavit. Underwriter approval required for issuance.

R-31
P-55

5% of basic premium rate,
but not less than \$25

Non-Imputation (Mezzanine Financing) (T-24.1)
Concurrently issued OTP;
non-residential

Provides a mezzanine lender title insurance coverage by making the lender an assignee of claim payments made under the OTP, not to exceed the debt owed on the mezzanine loan, provides non-imputation protection for the lender from a denial of liability under Exclusions 3(a), (b) or (e) for actions or knowledge of the insured under the OTP and provides

R-31
P-55

5% of basic premium rate,
but not less than \$25

Restrictions, Encroachments, Minerals (T-19 and T-19.1)
OTP and LP

Subordinate Liens and Leases (modification contained within policy)
LP and ICB

Fairway coverage to avoid a lapse of coverage due to a transfer of ownership interests. The insured in the OTP must sign the endorsement or provide a written consent to the issuance of the endorsement, as well as provide a Non-Imputation Affidavit. Mezzanine lender must also sign the endorsement. Underwriter approval is required for issuance.

Comprehensive insurance covering cc&r violations, HOA assessment liens, rights of first refusal and reverter, encroachments over setback lines, easements and boundary lines and damage to improvements (which includes lawns, shrubs & trees in the T-19 only) resulting from mineral exploration and development.

Upon lender request in writing (closing instructions), paragraph 4 of Schedule B is deleted and all liens and leases that are subordinate to the insured lien are itemized. Express insurance clause may be added: "Company insures the insured against loss, if any, sustained by the insured under the terms of the Policy if this item is not subordinate to the lien of the insured mortgage."

R-29.B and D
P-50.B and C

P-64
P-11.b(8)

On non-residential, T-19 is 10% of basic premium rate, but not less than \$50.

The T-19.1 on non-residential is 15% of basic premium rate or 10% if combined with a survey amendment (R-16), with a \$50 minimum.

No charge

Taxes – deletion of roll-back tax exception (T-30)
LP and ICB

Amendment of the standard tax exception to delete exception for roll-back taxes assessed for prior years due to an agricultural and/or open space tax valuation. The insurer may not provide the rollback coverage unless the rollback taxes have been assessed by the taxing authority and paid at closing.

R-19
P-20.B

\$20

Taxes – Not Yet Due and Payable (T-3)
LP and ICB

Amendment of the standard tax exception to provide insurance coverage that the taxes for a particular tax year are “not yet due and payable”. The coverage can only be provided with respect to taxes for the year of policy issuance and if taxes have been paid for the year of policy issuance, may not insert the next year and issue the NYDP amendment.

R-24
P-20.C

\$5

Variable Rate Mortgage (T-33)
LP; no requirement that the T-33 be issued simultaneously with the LP

Provides that the insurer will not allege that terms of the loan providing for changes in the interest rate have reduced or waived policy coverage for loss of priority or invalidity or unenforceability of the lien. Endorsement does not increase the face amount of the LP.

R-11.d
P-9.b(6)

(R-4/P-66.B(3) and (4) allows LP issue or re-issue for 125% of loan amount)

\$20 except when the LP was issued or reissued for 125% of the principal amount.

**Variable Rate Mortgage –
Negative Amortization
(T-33.1)
LP**

Provides same coverage as the T-33 except it also covers the addition of interest on interest or the addition of unpaid interest to the principal balance.

R-11.d
P-9.b(6)

(R-4/P-66.B(3) and (4)
allows LP issue or re-
issue for 125% of loan
amount)

\$20 except when the LP was issued or reissued for 125% of the principal amount.