

Title Policy



The Title Policy screen relates to how the transaction is insured, who it is insured by, and the premiums paid for the insurance. Different states selected in the Property Information screen may add or change certain fields on this screen to comply with the necessary calculations in those states.

The **Underwriter** is the entity underwriting the policies.

Commitment Effective Date determines when the commitment goes into effect. It also determines what set of rates we use to calculate the premiums. Similarly, the **Time** field is the time on the **Commitment Effective Date** when the commitment takes effect.

The **Number** can be entered here to pull to documents which are tagged to do so.

To calculate a premium, you will need to fill the **Policy Number** field/s with TBD. Doing so indicates that a policy will be issued for the column (**Loan** and **Owner's**) and allows calculation. If this field is left empty, it signals to the software that a policy of that type is not being issued and that no premium should be calculated. If jackets are generated using an integration with a capable underwriter, the policy numbers from the jackets will populate here. If you are not using a capable integration, you can manually enter the jacket numbers here after calculating the premiums.

Policy Rate Type determines what type of coverage is being purchased as part of the transaction. Whether it is the standard level of coverage or something more advanced. This allows us to calculate the proper premiums.

The **Total Coverage** amount pulls automatically from the Financial Information screen. The Loan column will pull the loan amount and the Owner's column will pull the purchase price. If a different amount of coverage is being purchased you can manually change the coverage amount.

Reissue Rate Coverage will look different based on the state and underwriter selected. Essentially, this is the amount of the prior policy when you want to calculate a reissue credit. As long as this is filled out a reissue rate will be used to calculate the premiums.

Speaking of premiums, there may be two different sets that will be visible on your screen. **Premium (ALTA Settlement Sheet)** shows the true charge for the policies and will be visible on a HUD or ALTA Settlement Statement. The **Premium (Closing Disclosure)** shows the CFPB required distortion and these numbers will appear on the Closing Disclosure. If you plan to charge a different amount than what we are

calculating, you can manually change the premium amounts. However, if you see both the ALTA and CD premiums on this screen, both sets must be altered to keep the file in balance.

Policy Exceptions indicates any exceptions that do not apply to this transaction, if any. If you are a full suite user and you need more on this list because you have a particular set of exceptions that you don't use on a regular basis, you can request that more be added to the system. Bear in mind that this will not actually remove the exceptions from the policy, but will list out the any removed on the applicable policy document.

Who is Paying? This field will show who is being charged for the premium. In general the loan premium will default to charge the borrower and the owners premium will default to charge the seller. You can change this if necessary.

The **Calculate Premium** button requests that the system calculate premiums for the entered information. Bear in mind that this will overwrite any manual changes you have made to the premiums.

Endorsement Fees will allow you to select which endorsements apply to the policies.

Total Premium shows the total for the loan and owner's premiums, plus any endorsements and/or overages before the application of any discounts.

There are three **Discount** fields that you can use if a discount to the total premium is given. You can indicate that the discount is being given by the agent, the underwriter, or both and this will reflect on the CD and in Escrow Accounting.

If a discount is being given, the **Discounted Premium** field will show the total premium after the discount has been calculated. This figure is used to calculate your split with the underwriter in Escrow Accounting.

Prior Policy fields are for entering any information on prior policies that may have been in effect. They may be tagged to pull to documents, but do not affect calculations in any way.

FAQ

"I tried to calculate premiums, but it's telling me rates aren't loaded!"

A number of things can lead to this. Primarily, you'll want to make sure that your Property Information screen is properly and fully filled out. The system links the underwriter and property location to determine which set of rates to use.

"I just clicked the calculate button and now my premiums have changed. Why would that happen?"

Either the premiums that were there had been manually overridden at some point or the rates have changed since the last time the calculate button was clicked. In the former case, simply re-enter the amounts you are charging in the premium fields. In the latter, make sure your **Commitment Effective Date** is entered properly. That date dictates which set of rates will be used to calculate premiums.

"I want to charge a different amount for my premiums than the calculated rates. How do I do this?"

Sometimes you'll be charging nonstandard amounts for coverage. In these cases you'll calculate the premiums as normal, but then you'll manually enter the premium amounts in their respective fields before hitting update.

"I clicked the calculate button but got an error message that says the coverage amount exceeds the set limit and may require underwriter approval. How can I get that increased?"

This is actually a publication limit that the underwriter has placed on us which limits what we are allowed to calculate. Your limit may be different. If so, you can simply hit calculate, close the message window, and manually type in the premium amounts you are charging.

"I want to calculate based on coverage amounts that are different from the Loan and Purchase Price."

Simply enter the coverage amounts you need and click the calculate button. Bear in mind that if the Loan or Purchase Price amounts change in Financial Information, we will not automatically update the Title Policy screen due to the coverage amounts being manually entered. We recommend that you verify the correct coverage amounts.