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## COMPANY NEWS

**June 4, 2012**

**To: Mississippi Agents and Approved Attorneys**

**Re: Closing Protection Letter Fee**

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As a result of significant losses on Closing Protection Letters across the nation, there is a growing trend among Title Insurance Underwriters to begin charging a fee. At last count, Underwriters were charging fees for CPLs in thirteen states, with many more expected.

Effective July 1, MVT will begin charging a fee of \$35.00 per CPL. This fee is charged for each closed transaction, so there is only one fee of \$35.00 even if several CPLs are issued prior to closing. Also, there is no charge for a CPL that is issued for a transaction that does not close.

Each CPL needs to identify which transaction it relates to, so please be sure to insert the borrowers name and property address in the appropriate fields when preparing the CPL. No blanket CPLs can be issued.

### **Disclosure on the GFE and HUD-1**

On the GFE, the CPL fee should be included in the charges which are inserted in Line 4.

On the HUD-1, the CPL fee will be included in the 1100 Series - Title Charges. The total inserted in Line 1101 and individually disclosed outside the column in one of the blank lines of the beginning at Line 1109 rather than in Lines 1107 and 1008 which are reserved for the title insurance premium.

### **Reporting**

Along with the monthly policy report, the CPL fee should be remitted by separate check with the policy from the transaction on which it was issued. The entire CPL fee is due MVT and is not subject to the Agency Commission split.

For closing handled by Approved Attorneys, the Approved Attorney will need to forward the CPL fees, along with the Title Insurance Premium and Policy Application, to the Agent who is issuing the policy. The Agent will include the CPL fee, along with the Policy and Premium, on the next monthly report.

For Agents who use ValleyRite to prepare policies, a software update will soon be ready which will capture this information. For Agents who do not use ValleyRite, if a CPL was issued please note that on the report next to the associated policy.

### **COMMENTS OR QUESTIONS**

For comments or questions, please feel free to contact Parrish Fortenberry or Terry Weill at 601-969-0222 or 1-800-647-2124.