

DEEP DIVE SERIES:

2021 ALTA NEW
POLICIES
**“HIGHLIGHTS &
CHECKLISTS”**

August 5, 2021

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OVERVIEW

- **MU2021002 BULLETIN**
- **DIFFERENCES IN THE 2021 AND 2006 FORMS AND OTHER CHANGES**
- **ALTA FORMS UPDATE**
- **ALTA OWNER'S & LOAN POLICY COMPARISON CHARTS**
- **HOW CAN YOU PREPARE?**



MU2021002 BULLETIN— NEW AND REVISED 2021 ALTA FORMS

MU2021002

Bulletin : MU2021002

Date: July 30, 2021

To: All Issuing Offices in Colorado, Illinois, Iowa, Massachusetts, Michigan, Mississippi, Oklahoma, and Tennessee

RE: RATES AND/OR FORMS UPDATE - New and Revised 2021 ALTA Forms

MU2021002

Dear Associates:

The American Land Title Association (ALTA) recently adopted new/revised forms effective as of July 1, 2021. A list of the new/revised forms is available [here](#).

The new forms and corresponding guidelines are available on Virtual Underwriter in the [New ALTA 2021 Forms Page](#).

You can view webinars and PowerPoints regarding the new ALTA forms by accessing the [Webinars](#) page on Virtual Underwriter.

The following new or revised policies are adopted by ALTA, effective as of July 1, 2021:

- 2021 ALTA Owner's Policy
- 2021 ALTA Loan Policy
- 2021 ALTA Short Form Residential Loan Policy - Assessments Priority
- 2021 ALTA Short Form Residential Loan Policy - Current Assessments
- 2021 ALTA Homeowner's Policy
- 2021 ALTA Expanded Coverage Residential Loan Policy - Assessments Priority
- 2021 ALTA Expanded Coverage Residential Loan Policy - Current Assessments
- 2021 ALTA Short Form Expanded Coverage Residential Loan Policy - Assessments Priority
- 2021 ALTA Short Form Expanded Coverage Residential Loan Policy - Current Assessments

MU2021002

The notable changes and revisions in the 2021 ALTA Owner's Policy and the 2021 ALTA Loan Policy include the following:

- Use of new or amended defined terms such as Affiliate, Consumer Protection Law, Discriminatory Covenant, Enforcement Notice, Governmental Mortgage Agency or Instrumentality, Insured, Knowledge, Obligor, PACA-PSA Trust, Public Records, and State in the policies and revised endorsements (these terms made changes to some endorsements necessary).
- Moving some exceptions that became commonplace (such as calculation of area, and PACA-PSA Trust to the jacket as Exclusions).
- Punctuation and grammatical refinements.
- Clarification that choice of law will be the State, or to the extent it controls, federal law.
- Clarification that the choice of forum will be a State court or a federal court.
- Amendments based on how courts have treated the prior policy language.
- New coverages and exclusions for both Insured and Insurer.
- The ALTA 39 Policy Authentication (Electronic Policy/Signature) endorsement will become obsolete. The endorsement's coverages are now included in the Policy Jacket. However, if requested and the ALTA 39 is available in your state, you may issue upon request.

MU2021002

- The 2021 ALTA Policies treat the PACA-PSA Trust both as a Covered Risk and an Exclusion. If there is a recorded PACA-PSA Trust Enforcement Notice (such as a lis pendens) and the policy does not except to that recorded notice, it is a Covered Risk. If it is a regular PACA-PSA Trust lien and not recorded in the Public Records, it is excluded.
- A new definition of the term “Insured” will allow coverage under the 2021 ALTA Owner’s Policy and the 2021 ALTA Loan Policy to continue when the Land is conveyed to an Affiliate, even when there is a monetary exchange.
- Remote Online Notarization (RON) is now part of the Covered Risk 2.a. of the 2021 ALTA Owner’s Policy and the 2021 ALTA Loan Policy.
- “Enforcement Notice” is a new defined term. This is a document affecting the Title, recorded in the Public Records at the Date of Policy that describes any part of the Land and identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation, exercise of a power, or enforcement of a PACA-PSA Trust.
- Covered Risk 10 of the 2021 ALTA Loan Policy adds language to clarify and confirm for lenders that the coverage is for certain enumerated components of the Indebtedness.

MU2021002

- Covered Risk 11.a. on Mechanics Liens (consistent with the ALTA 32 Series endorsements) confirms that the coverage relates to services and equipment, in addition to labor and materials.
- Exclusion 9 of the 2021 ALTA Loan Policy and Exclusion 7 of the 2021 ALTA Owner's Policy exclude liability for the quantity of area, square footage, or acreage described in the Land (if any).
- The Transaction Identification Data that has been a part of ALTA Commitments since 2016 is now formatted into Schedule A of the new 2021 ALTA Policies as well for consistency. It is made clear this information is not insured.
- The 2021 ALTA Loan Policy adds a new option for the Insured to select the date the Insured Mortgage is extinguished for determination of value. The 2021 ALTA Owner's Policy adds a new option for the Insured to select the Date of Policy for determination of value if Title to all of the Land is void.

MU2021002

For a detailed list of differences between the 2021 and 2006 ALTA forms and a summary of the advantages to the customer of the new ALTA forms, click [here](#).

The following new or revised Commitments are adopted by ALTA, effective as of July 1, 2021:

- 2021 ALTA Commitment for Title Insurance
- 2021 ALTA Short Form Commitment for Title Insurance

MU2021002

The following new or revised endorsements are adopted by ALTA, effective as of July 1, 2021, and may be issued with the 2021 ALTA Owner's Policy and the 2021 ALTA Loan Policy, if applicable:

- ALTA 3
- ALTA 3.1
- ALTA 3.2
- ALTA 3.3
- ALTA 3.4
- ALTA 4
- ALTA 4.1
- ALTA 6
- ALTA 6.2
- ALTA 7.1
- ALTA 7.2
- ALTA 8.1
- ALTA 10
- ALTA 10.1
- ALTA 11
- ALTA 11.1
- ALTA 11.2
- ALTA 12
- ALTA 12.1
- ALTA 14
- ALTA 14.1
- ALTA 14.2
- ALTA 14.3
- ALTA 26
- ALTA 27
- ALTA 28.1
- ALTA 30
- ALTA 30.1
- ALTA 32
- ALTA 32.1
- ALTA 32.2
- ALTA 34.1

The 2006 versions of these endorsements must be issued with the 2006 ALTA Owner's Policy and the 2006 ALTA Loan Policy.

MU2021002

The following ALTA endorsements have not been revised and may be issued with the 2006 and the 2021 ALTA Policies.

- ALTA 1-06
- ALTA 5-06
- ALTA 5.1-06
- ALTA 7-06
- ALTA 8.2-06
- ALTA 9-06
- ALTA 9.1-06
- ALTA 9.2-06
- ALTA 9.3-06
- ALTA 9.6-06
- ALTA 9.6.1-06
- ALTA 9.7-06
- ALTA 9.8-06
- ALTA 9.9-06
- ALTA 9.10-06
- ALTA 13-06
- ALTA 13.1-06
- ALTA 15-06
- ALTA 15.1-06
- ALTA 15.2-06
- ALTA 16-06
- ALTA 17-06
- ALTA 17.1-06
- ALTA 17.2-06
- ALTA 18-06
- ALTA 18.1-06
- ALTA 18.2-06
- ALTA 18.3-06
- ALTA 19-06
- ALTA 19.1-06
- ALTA 19.2-06
- ALTA 20-06
- ALTA 22-06
- ALTA 22.1-06
- ALTA 23-06
- ALTA 23.1-06
- ALTA 24-06
- ALTA 25-06
- ALTA 25.1-06
- ALTA 28-06
- ALTA 28.2-06
- ALTA 28.3-06
- ALTA 29-06
- ALTA 29.1-06
- ALTA 29.2-06
- ALTA 29.3-06
- ALTA 31-06
- ALTA 33-06
- ALTA 34-06
- ALTA 35-06
- ALTA 35.1-06
- ALTA 35.2-06
- ALTA 35.3-06
- ALTA 36-06
- ALTA 36.1-06
- ALTA 36.2-06
- ALTA 36.3-06
- ALTA 36.4-06
- ALTA 36.5-06
- ALTA 36.6-06
- ALTA 36.7-06
- ALTA 36.8-06
- ALTA 37-06
- ALTA 38-06
- ALTA 39-06
- ALTA 40-06
- ALTA 40.1-06
- ALTA 41-06
- ALTA 41.1-06
- ALTA 41.2-06
- ALTA 41.3-06
- ALTA 42-06
- ALTA 43-06
- ALTA 44-06
- ALTA 45-06
- ALTA 46-06

MU2021002

The following ALTA 47 series endorsements (and Addendums for 2012 and 2015 ALTA Short Forms) were adopted by ALTA as of April 2, 2021, and are issued only with the 2006 ALTA Owner's Policy, the 2006 ALTA Loan Policy, the 2013 ALTA Homeowner's Policy, and the 2015 ALTA Expanded Coverage Residential Loan Policies, and only if our Guidelines require issuance.

- ALTA 47
- ALTA 47.1
- ALTA 47.2
- ALTA 47.3

MU2021002

If requested by the customer, the new 2021 ALTA Forms are immediately available for use in Colorado, Illinois, Iowa, Massachusetts, Michigan, Mississippi, Oklahoma, and Tennessee. In those states where form and/or rate filings are required, we will distribute subsequent state-specific bulletins as these forms become available.

Decertification of the 2006 ALTA Forms is scheduled for December 31, 2022, but the decertification will not prohibit use of the 2006 ALTA Forms. While we prefer to use the 2021 ALTA Forms if acceptable and available in the particular market, we will continue to make the 2006 ALTA Forms available if they are requested by your customers.

As a reminder, the most current version of the ALTA form available in each state for issuance with the applicable version of the ALTA Policy should be used, unless approved by a Stewart underwriter.

MU2021002

Please contact Property Info Customer Care at customercare@stewart.com or your title production software vendor to have the new forms uploaded to your system.

If you have any questions relating to this or other bulletins, please contact a Stewart Title Guaranty Company underwriter.

For online viewing of this and other bulletins, please log onto www.vuwriter.com.

References

Bulletins Replaced : None

Related Bulletins : None

Underwriting Manual : None

Exceptions Manual : None

Forms : [New ALTA 2021 Forms](#)



DIFFERENCES IN THE 2021 AND 2006 FORMS AND OTHER CHANGES



DIFFERENCES IN THE 2021 AND 2006 FORMS AND OTHER CHANGES

Some of the differences in the 2021 ALTA Owner's and Loan Policies and the 2006 ALTA Owner's and Loan Policies include:

- policy authentication (ALTA 39) coverage in the 2021 ALTA Policies;
- insurance in the 2021 ALTA Policies against defect in title or insured mortgage because of remote online notarization;
- insurance in the 2021 ALTA Policies against defect in title or mortgage because of repudiation of electronic signature;
- clarification in the 2021 ALTA Loan Policy of priority of mortgage as security for components of indebtedness;
- update in the 2021 ALTA Policies of creditors' rights covered risk and exclusion to refer to UVTA and to clarify timely recording;
- expansion in the 2021 ALTA Policies of governmental exclusion to include forfeiture if no recorded enforcement notice;
- new PACA-PSA exclusion in the 2021 ALTA Policies if no recorded notice of enforcement notice;
- broadening in the 2021 ALTA Loan Policy of consumer credit protection exclusion to include defined Consumer Protection Laws;
- new discrepancies in area exclusion in the 2021 ALTA Policies;
- revised tax and assessments exclusion in the 2021 ALTA Owner's Policy for taxes and assessments imposed or collected by a governmental authority due and payable after Date of Policy;

DIFFERENCES IN THE 2021 AND 2006 FORMS AND OTHER CHANGES

- new Transaction Identification Data in the 2021 ALTA Policies for the insured's benefit (but which does not insure accuracy);
- new Schedule B exception in the 2021 ALTA Policies to terms of insured leases and easements;
- new Schedule B Part II exception in the 2021 ALTA Loan Policy to terms of any subordination listed;
- the 2021 ALTA Loan Policy Conditions broadens the definition of Indebtedness;
- the 2021 ALTA Loan Policy broadens the definition of Insured;
- the 2021 ALTA Owner's Policy broadens the definition of Insured;
- the 2021 ALTA Policies narrow the definition of Public Records (applicable to several Exclusions and special exceptions) and makes the request for the 8.1 and 8.2 endorsements more essential;
- the 2021 ALTA Policies amend Section 9.a to require the title insurer to take action "in a reasonable manner" instead of "a reasonably diligent manner" (presumably this change does not impose the same high burden on the title insurer, although it could be construed as requiring that the action be accomplished within a reasonable time);
- the preamble of Condition 8 of the 2021 ALTA Policies contains a new disclaimer for tort or abstract liability (consistent with statutory or case law in many but not all states);

DIFFERENCES IN THE 2021 AND 2006 FORMS AND OTHER CHANGES

- revised Condition 8.b and 8.c of the 2021 ALTA Owner's Policy provides that loss is calculated using the date of discovery unless title is void at Date of Policy, in which case the insured may select the Date of Policy (which clarifies but also restricts the choices available to the insured);
- revised Condition 8 of the 2021 ALTA Loan Policy provides that loss is calculated using the date the insured acquires the title, or the date the insured mortgage is extinguished or rendered unenforceable;
- revised Condition 8 of the 2021 ALTA Policies change the increase in the amount of insurance from 10% to 15% if the title insurer is unsuccessful in taking action;
- New Condition 18 of the 2021 ALTA Owner's Policy and Condition 17 of the 2021 ALTA Loan add a new prohibition on class actions.

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

Advantages to the customer of the 2021 ALTA Owner's and Loan Policies and other significant changes to be cognizant of:

ADVANTAGES OF THE 2021 ALTA LOAN POLICY

- Automatically includes coverage of ALTA 39[-06] Policy Authentication Endorsement.
- Insures against a defect in Title caused by improper remote online notarization.
- Insures against a defect in title because of failure to perform those acts necessary to create a document by electronic signature.
- Insures against repudiation of an electronic signature on a document because the electronic signature was not valid.
- Insures against invalidity or unenforceability of the lien of the Insured Mortgage caused by repudiation of an electronic signature.
- Insures against lack of priority of the lien of the Insured Mortgage over any other lien or encumbrance for listed components of the Indebtedness, including principal disbursed at the Date of Policy and real estate taxes and assessments and regular periodic assessments by a property owners' association.

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

- Insures against avoidance of a transfer of Title occurring prior to the transaction creating the lien of the Insured Mortgage because the prior transfer was a voidable transfer under the Uniform Voidable Transactions Act.
- Insures against avoidance of a transfer of Title occurring prior to the transaction creating the lien of the Insured Mortgage because the prior transfer was a fraudulent transfer, fraudulent conveyance, or voidable preference
- Insures against the effect of a court order providing an alternative remedy (such as monetary judgment) for a voidable transfer, fraudulent conveyance, fraudulent transfer, or voidable preference occurring prior to the transaction creating the lien of the Insured Mortgage.
- Expansion of governmental exclusion to include forfeiture, regulatory, or national security power.
- Revision of Exclusion 3.e. to apply only if the Insured failed to pay consideration sufficient to qualify the Insured as a bona fide purchaser or encumbrancer.
- Exclusion for any claim of a PACA-PSA Trust.
- Exclusion for any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement.

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

- Added (Optional) Transaction Identification Data that identifies the transaction, the Issuing Agent and its ALTA® Registry ID, and the Property. The policy does not insure the Transaction Identification Data.
- Provides clear notice, if Discriminatory Covenants exist in a document, that those Discriminatory Covenants are redacted, repudiated, removed, and not republished or recirculated, and an acknowledgment that only the remaining provisions of the document are excepted from coverage.
- Expansion of the definition of the Insured to include a grantee under a deed, delivered with or without valuable consideration, if the grantee is an Affiliate.
- Expansion of the definition of the Insured to include an Affiliate of the Insured that acquires the Title through foreclosure or deed-in-lieu of foreclosure.
- Revision of the definition of Knowledge to include both actual knowledge and actual notice.
- Revision of the definition of Public Records to state that such records do not include other recording systems such as zoning, planning, or permitting.
- Each 2021 ALTA Policy clearly states that it is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. Further, the title insurer is not liable for a claim of negligence or negligent misrepresentation.

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

- The extent of liability for loss or damage is the difference between the fair market value of the Title as insured and the fair market value subject to the matter insured against. Formerly the valuation was based on value, but not fair market value.
- The fair market value is calculated using the date the Insured acquires the Title as a result of the foreclosure or deed-in-lieu of foreclosure of the Insured Mortgage, or the date the lien of the Insured Mortgage or any assignment set forth in item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against. This provision is new and is generous in two ways: it provides a date for calculating values, which the 2006 ALTA Policies and prior policies did not, and it allows the Insured to have a second choice of dates if these terms apply.
- If the Company institutes or prosecutes any action or proceeding or does any act to establish the Title or lien of the Insured Mortgage as insured or to prevent or reduce loss to the Insured, and is unsuccessful, then the Amount of Insurance is increased by 15% and the Insured Claimant may elect as an alternative to the other dates for valuation the additional date that the settlement or action is concluded or the date the notice of claim is received by the Company as the date for calculating the fair market value of the Title. This improves the coverage for the lender as the increase is changed to 15% from 10% as it was under the 2006 ALTA Policy.
- Each 2021 ALTA Policy requires that any claim or dispute must be brought in an individual capacity and no person may serve as a class member or participant in a class action.
- Each 2021 ALTA Policy includes an optional arbitration clause, which can be deleted. Some 2021 ALTA Policies provide that “The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief \$100,000 or less.”

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

ADVANTAGES OF THE 2021 ALTA OWNER'S POLICY

- Automatically includes coverage of ALTA 39[-06] Policy Authentication Endorsement.
- Insures against a defect in Title caused by improper remote online notarization.
- Insures against a defect in title because of failure to perform those acts necessary to create a document by electronic signature.
- Insures against repudiation of an electronic signature on a document because the electronic signature was not valid.
- Insures against avoidance of a transfer of Title occurring prior to the transaction vesting Title because the prior transfer was a voidable transfer under the Uniform Voidable Transactions Act.
- Insures against avoidance of a transfer of Title occurring prior to the transaction vesting Title because the prior transfer was a fraudulent transfer, fraudulent conveyance, or voidable preference
- Insures against the effect of a court order providing an alternative remedy (such as monetary judgment) for a voidable transfer, fraudulent conveyance, fraudulent transfer, or voidable preference occurring prior to the transaction vesting Title.

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

- Expansion of governmental exclusion to include forfeiture, regulatory, or national security power.
- Revision of Exclusion 3.e. to apply only if the Insured failed to pay consideration sufficient to qualify as a bona fide purchaser.
- Exclusion for any claim of a PACA-PSA Trust.
- Exclusion for any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement
- Added (Optional) Transaction Identification Data that identifies the transaction, the Issuing Agent and its ALTA® Registry ID, and the Property. The policy does not insure the Transaction Identification Data.
- Provides clear notice, if Discriminatory Covenants exist in a document, that those Discriminatory Covenants are redacted, repudiated, removed, and not republished or recirculated, and an acknowledgment that only the remaining provisions of the document are excepted from coverage.
- Expansion of the definition of the Insured to include a grantee under a deed, delivered with or without valuable consideration, if the grantee is an Affiliate.
- Expansion of the definition of the Insured to include a spouse who receives the Title because of a dissolution of marriage.
- Expansion of the definition of the Insured to include a transferee by a transfer effective on the death of the Insured as authorized by law.

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

- Expansion of the definition of the Insured to include another Insured named in item 1 of Schedule A.
- Revision of the definition of Knowledge to include both actual knowledge and actual notice.
- Revision of the definition of Public Records to state that such records do not include other recording systems such as zoning, planning, or permitting.
- Each 2021 ALTA Policy clearly states that it is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. Further, the title insurer is not liable for a claim of negligence or negligent misrepresentation.
- The extent of liability for loss or damage is the difference between the fair market value of the Title as insured and the fair market value subject to the matter insured against. Formerly the valuation was based on value, but not fair market value.
- The fair market value is calculated using the date the Insured discovers the matter insured against. However, if the Title to all of the Land is void by reason of a matter insured against, then the Insured Claimant may elect to use the Date of Policy for calculating the fair market value of the Title. This provision is new and generous in two ways: it provides a date for calculating values, which the 2006 ALTA Policies and prior policies did not; and it allows the Insured to have a second choice of dates if these terms apply.

ADVANTAGES TO THE CUSTOMER OF THE 2021 FORMS AND OTHER CHANGES

- If the Company institutes or prosecutes any action or proceeding or does any act to establish the Title as insured or to prevent or reduce loss to the Insured, and is unsuccessful, then the Amount of Insurance is increased by 15% and the Insured Claimant may elect as an alternative to the other dates for valuation the additional date that the settlement or action is concluded or the date the notice of claim is received by the Company as the date for calculating the fair market value of the Title. This improves the coverage for the lender as the increase is changed to 15% from 10% as it was under the 2006 ALTA Policy.
- Each 2021 ALTA Policy requires that any claim or dispute must be brought in an individual capacity and no person may serve as a class member or participant in a class action.
- Each 2021 ALTA Policy includes an optional arbitration clause, which can be deleted. Some 2021 ALTA Policies provide that “The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief \$100,000 or less.”

WHAT YOU SHOULD CONSIDER IN PREPARING 2021 ALTA OWNER'S AND LOAN POLICIES

- You may issue the endorsements that were prepared for the 2006 ALTA Policy (the -06 version) or the new endorsements that were modified for the 2021 ALTA Policy. We prefer to use the new endorsements and the other unchanged ALTA endorsements for the 2021 ALTA Policy.
- You may issue the 2016 ALTA Commitment or the 2021 ALTA Commitment for the 2006 ALTA Policy or the 2021 ALTA Policy. We prefer to issue the 2021 ALTA Commitment in all cases if it is available in your state.
- The transaction documents, such as the deed or mortgage, may be prepared and executed electronically if allowed by our Bulletins and if eligible for recording in your county and state.
- Remote online notarization may be used if allowed by our Bulletins and if eligible for recording in your county and state.
- Both the 2006 ALTA Policy and 2021 ALTA Policy insure against real estate taxes or assessments due or payable, but unpaid. You may continue to use your customary real estate tax and assessment lien exception.
- Both the 2006 ALTA Policy and the 2021 ALTA Policy insure against matters affecting the Title that would be disclosed by an accurate and complete land title survey. You may continue to provide survey coverage in the 2021 ALTA Policy as has been authorized by bulletin in your state. If you retain your customary survey exception (such as Standard Exception STAX03 or other exception you customarily use), we prefer, but do not require, that you also add at the end of the exception "Covered Risk 2.c is hereby deleted."

WHAT YOU SHOULD CONSIDER IN PREPARING 2021 ALTA OWNER'S AND LOAN POLICIES

- The Covered Risk for right of access has not changed. If you except to lack of right of access, we prefer, but do not require, that you also add at the end of the exception “Covered Risk 4 is hereby deleted.”
- Covered Risk 9 of the Owner’s Policy and Covered Risk 13 of the Loan Policy insure against creditors’ rights claims in the back chain of title. A separate creditors’ rights Exclusion relates to creditors’ rights issues arising out of the current transaction, and that includes certain voidable preference claims because of delay in recording. However, if there is a delay of more than 30 days from the execution of the vesting deed or Insured Mortgage when delivered to you until recording, consult with a Stewart Underwriter for a possible Schedule B exception.
- Covered Risk 10 of the Owner’s Policy and Covered Risk 14 of the Loan Policy provide gap coverage. You should try to update the commitment and reduce the gap, if any. In some states, a Gap Indemnity is often secured and is included in the Owner’s (Title) Affidavit, such as in paragraph 15.B of the Stewart Title Affidavit.
- Exclusion 7 of the 2021 ALTA Loan Policy and Exclusion 5 of the 2021 ALTA Owner’s Policy exclude any claim of a PACA-PSA Trust.
- Exclusion 8 of the 2021 ALTA Loan Policy excludes any lien on the Title for real estate taxes or assessments, imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records.

WHAT YOU SHOULD CONSIDER IN PREPARING 2021 ALTA OWNER'S AND LOAN POLICIES

- Exclusion 6 of the 2021 ALTA Owner's Policy excludes any lien on the Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy.
- The 2021 ALTA Owner's Policy and the 2021 ALTA Loan Policy exclude any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land. If you have been excepting to shortages in area acreage, this exclusion will now address that issue.
- Added (Optional) Transaction Identification Data (TID) that identifies the transaction, the Issuing Agent, and its ALTA® Registry ID. Your customers will value this TID.
- The beginning of Schedule B of the 2021 ALTA Policies excepts to Discriminatory Covenants. This replaces the customary disclaimer that has previously been asserted with each Covenant, Condition, and Restriction exception. Cautious companies have also deleted the discriminatory provision in a document before providing a copy of the document to a customer.
- The preamble of Schedule B of the 2021 ALTA Policies includes an exception to the terms and conditions of any lease or easement identified in Schedule A. We also should specifically except in Schedule B to the terms and conditions of any lease or easement that we insure.

WHAT YOU SHOULD CONSIDER IN PREPARING 2021 ALTA OWNER'S AND LOAN POLICIES

- The standard exceptions you use would remain the same.
- The special exceptions you use would remain the same.
- We prefer to use the phrase “Public Records” instead of “public records” in any special exception or any standard exception that you use. “Public Records” is a defined term in the 2006 ALTA Policies and in the 2021 ALTA Policies.
- We prefer to use the term “Land” instead of “land” in any special exception or any standard exception that you use. “Land” is a defined term in the 2006 ALTA Policies and in the 2021 ALTA Policies.
- The term “State” is a defined term in the 2021 ALTA Policies, but we do not require use of “State” in lieu of “state” in any special exception or any standard exception that you use.
- Condition 19 of the 2021 ALTA Owner’s Policy is the optional arbitration clause. You may delete it upon request by deleting Condition 19. Note, the Arbitration Clause in the ALTA 2006 Owner’s Policy is a different number.

WHAT YOU SHOULD CONSIDER IN PREPARING 2021 ALTA OWNER'S AND LOAN POLICIES

- Condition 18 of the 2021 ALTA Loan Policy is the optional arbitration clause. You may delete it upon request by deleting Condition 18. Note, the Arbitration Clause in the ALTA 2006 Loan Policy is a different number.
- The requirements to issue the existing ALTA Endorsements and the modified 2021 ALTA Endorsements are not changing. For example, the requirements to issue a Zoning Endorsement (ALTA 3 Series), Non-Imputation Endorsement, or Future Advance Endorsement (ALTA 14 Series) are not changing. The endorsements being modified in 2021 or newly adopted include the ALTA 6 Series (Variable Rate), ALTA 10 Series (Assignment), ALTA 11 Series (Modification), ALTA 12 Series (Aggregation), ALTA 14 Series (Future Advance), ALTA 30 Series (Shared Appreciation; Commercial Participation), New ALTA 34.1 (Identified Exception & Identified Risk), and New ALTA 47 Series (Operative Law Endorsements for 2006 ALTA Policies).



ALTA FORMS UPDATE



ALTA FORMS UPDATE

BASIC POLICIES

- ALTA Homeowner's Policy 2021-07-01
- ALTA Loan Policy 2021-07-01
- ALTA Owner's Policy 2021-07-01
- ALTA Expanded Coverage Residential Loan Policy—Assessments Priority 2021-07-01
- ALTA Expanded Coverage Residential Loan Policy—Current Assessments 2021-07-01
- ALTA Short Form Expanded Coverage Residential Loan Policy—Assessments Priority 2021-07-01
- ALTA Short Form Expanded Coverage Residential Loan Policy—Current Assessments 2021-07-01
- ALTA Short Form Residential Loan Policy—Assessments Priority 2021-07-01
- ALTA Short Form Residential Loan Policy—Current Assessments 2021-07-01

ALTA FORMS UPDATE

CLOSING PROTECTION LETTERS

- ALTA Closing Protection Letter—Multiple Transactions 2021-04-02
- ALTA Closing Protection Letter—Single Transaction 2021-04-02

COMMITMENT FORMS

- ALTA Commitment for Title Insurance 2021-07-01
- ALTA Short Form Commitment for Title Insurance 2021-07-01

ADDENDUMS

- ALTA Addendum—Operative Law—2015 Short Form Expanded Coverage Residential Loan Policy 2021-04-02
 - ALTA Addendum—Operative Law—2012 Short Form Residential Loan Policy 2021-04-02
 - ALTA Addendum—Operative Law—2015 Short Form Residential Loan Policy—Current Violations 2021-04-02
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ALTA FORMS UPDATE

ENDORSEMENTS

- ALTA 3 Zoning 2021-07-01
- ALTA 3.1 Zoning—Completed Structures 2021-07-01
- ALTA 3.2 Zoning—Land Under Development 2021-07-01
- ALTA 3.3 Zoning—Completed Improvement—Non-Conforming Use 2021-07-01
- ALTA 3.4 Zoning—No Zoning Classification 2021-07-01
- ALTA 4 Condominium—Assessments Priority 2021-07-01
- ALTA 4.1 Condominium—Current Assessments 2021-07-01
- ALTA 6 Variable Rate Mortgage 2021-07-01
- ALTA 6.2 Variable Rate Mortgage—Negative Amortization 2021-07-01
- ALTA 7.1 Manufactured Housing—Conversion—Loan Policy 2021-07-01
- ALTA 7.2 Manufactured Housing—Conversion—Owner’s Policy 2021-07-01
- ALTA 8.1 Environmental Protection Lien 2021-07-01
- ALTA 10 Assignment 2021-07-01
- ALTA 10.1 Assignment and Date Down 2021-07-01

ALTA FORMS UPDATE

- ALTA 11 Mortgage Modification 2021-07-01
- ALTA 11.1 Mortgage Modification with Subordination 2021-07-01
- ALTA 11.2 Mortgage Modification with Additional Amount of Insurance 2021-07-01
- ALTA 12 Aggregation—Loan Policy 2021-07-01
- ALTA 12.1 Aggregation—State Limits—Loan Policy 2021-07-01
- ALTA 14 Future Advance—Priority 2021-07-01
- ALTA 14.1 Future Advance—Knowledge 2021-07-01
- ALTA 14.2 Future Advance—Letter of Credit 2021-07-01
- ALTA 14.3 Future Advance—Reverse Mortgage 2021-07-01
- ALTA 26 Subdivision 2021-07-01
- ALTA 27 Usury 2021-07-01
- ALTA 28.1 Encroachments—Boundaries and Easements 2021-07-01

ALTA FORMS UPDATE

- ALTA 30 One-to-Four Family Shared Appreciation Mortgage 2021-07-01
- ALTA 30.1 Commercial Participation Interest 2021-07-01
- ALTA 32 Construction Loan 2021-07-01
- ALTA 32.1 Construction Loan—Direct Payment 2021-07-01
- ALTA 32.2 Construction Loan—Insured’s Direct Payment 2021-07-01
- ALTA 34.1 Identified Exception & Identified Risk Coverage 2021-07-01
- ALTA 47 Operative Law—2006 Owner’s Policy 2021-04-02
- ALTA 47.1 Operative Law—2006 Loan Policy 2021-04-02
- ALTA 47.2 Operative Law—2013 Homeowner’s Policy 2021-04-02
- ALTA 47.3 Operative Law—2015 Expanded Coverage Residential Loan Policy 2021-04-02



ALTA OWNER'S & LOAN POLICY COMPARISON CHARTS

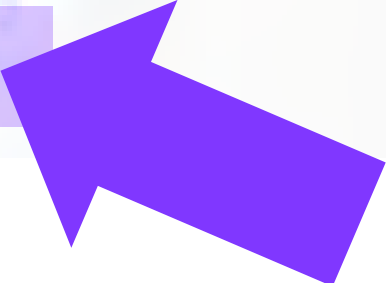
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ALTA® Loan Policy
2021 v. 01.00 | Effective 07-01-2021 | Publication 07-30-2021
Comparison Chart - Loan Policy 2021 against 2006
ALTA Loan Policy Redline Comparison - 2021 vs 2006



ALTA® Owner's Policy
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Comparison Chart - Owner's Policy 2021 against 2006





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