

**BLANK TITLE INSURANCE COMPANY**

Name and Address of Addressee:

Date:

Name of Issuing Agent or Approved Attorney (hereafter, "Issuing Agent" or "Approved Attorney", as the case may require):

*[Identity of settlement agent and status as either Issuing Agent or Approved Attorney appears here.]*

Transaction (hereafter, "the Real Estate Transaction"):

Re: Closing Protection Letter

Dear:

You have requested title insurance of Blank Title Insurance Company for your protection in connection with the closing of the Real Estate Transaction conducted by the Issuing Agent or the Approved Attorney [and] in which you are to be the lessee or purchaser of an interest in land or a lender secured by a mortgage (including any other security instrument) of an interest in land. If the aggregate of all funds you transmit to the Issuing Agent or Approved Attorney for the Real Estate Transaction does not exceed \$\_\_\_\_\_, the Company, subject to the Conditions and Exclusions set forth below, hereby agrees to reimburse you for actual loss incurred by you in connection with such closing when conducted by the Issuing Agent or Approved Attorney and when such loss arises out of:

1. Failure of the Issuing Agent or Approved Attorney to comply with your written closing instructions to the extent that they relate to (a) the status of the title to said interest in land or the validity, enforceability and priority of the lien of said mortgage on said interest in land, including the obtaining of documents and the disbursement of funds necessary to establish such status of title or lien, or (b) the obtaining of any other document, specifically required by you, but not to the extent that said instructions require a determination of the validity, enforceability or effectiveness of such other document, or (c) the collection and payment of funds due you, or
2. Fraud or dishonesty of the Issuing Agent or Approved Attorney in handling your funds or documents in connection with such closing.

If you are a lender protected under the foregoing paragraph, your borrower in connection with a loan secured by a mortgage on a one-to-four family dwelling shall be protected as if this letter were addressed to your borrower.

Conditions and Exclusions

A. The Company will not be liable to you for loss arising out of:

1. Failure of the Approved Attorney to comply with your closing instructions which require title insurance protection inconsistent with that set forth in the title insurance binder or commitment issued by the Company. Instructions which require the removal of specific exceptions to title or compliance with the requirements contained in said binder or commitment shall not be deemed to be inconsistent.
2. Loss or impairment of your funds in the course of collection or while on deposit with a bank due to bank failure,

insolvency or suspension, except as shall result from failure of the Issuing Agent or Approved Attorney to comply with your written closing instructions to deposit the funds in a bank which you designated by name.

- 3. Mechanics' and materialmen's liens in connection with the Real Estate Transaction if it is a purchase or lease or construction loan transaction, except to the extent that protection against such liens is afforded by a title insurance binder, commitment or policy of the Company.
  - B. If the closing is conducted by an Approved Attorney, a title insurance binder or commitment for the issuance of a policy of title insurance of the Company must have been received by you prior to the transmission of your final closing instructions to the Approved Attorney.
  - C. When the Company shall have reimbursed you pursuant to this letter, it shall be subrogated to all rights and remedies which you would have had against any person or property had you not been so reimbursed. Liability of the Company for such reimbursement shall be reduced to the extent that you have knowingly and voluntarily impaired the value of such right of subrogation.
  - D. The protection herein offered shall not extend to the actions of the Issuing Agent or Approved Attorney if the aggregate of all funds you transmit to the Issuing Agent or Approved Attorney for the Real Estate Transaction exceeds the amount set forth on the first page of this letter and the Company shall have no liability for the mishandling of all or any part of such funds by the Issuing Agent or Approved Attorney except pursuant to an express written agreement between you and the Company made with reference to the Real Estate Transaction.
  - E. Any liability of the Company for loss incurred by you in connection with the closing of the Real Estate Transaction by the Issuing Agent or Approved Attorney shall be limited to the protection provided by this letter. However, this letter shall not affect the protection afforded by a title insurance binder, commitment or policy of the Company.
  - F. Claims shall be made promptly to the Company at its principal office at \_\_\_\_\_. When the failure to give prompt notice shall prejudice the Company, then liability of the Company hereunder shall be reduced to the extent of such prejudice.

The protection herein offered will be effective upon receipt by the Company of your acceptance of the terms of this letter in writing, which may be made on the enclosed copy hereof, or by your transmission of documents or funds to the Agent or Approved Attorney for the Real Estate Transaction subsequent to your receipt of this letter, which will constitute such acceptance, and will continue unless canceled by written notice from the Company. Cancellation shall not extinguish the obligation of the Company hereunder with respect to acts or omissions of the Issuing Agent or Approved Attorney occurring prior thereto.

Any previous insured closing service letter or similar agreement is hereby canceled with respect to the Real Estate Transaction.

Accepted: \_\_\_\_\_ (Date)

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_ (Title)

BY: \_\_\_\_\_ (Title)

(The words "Underwritten Title Company" may be inserted in lieu of Issuing Agent)