

# TITLE INSURANCE DISCLOSURE FORM

Thank you for the opportunity to represent you in connection with your real estate matter. We are required by our code of ethics, the *Lawyer's Code of Professional Responsibility* adopted by the New York State Bar Association, to disclose some important information to you regarding the requirements for title insurance in connection with your transaction. As a part of your real estate financing transaction, your mortgage lender will require you to obtain title insurance to protect the Lender's interest in the property, but not your interest as owner. In addition, if you so elect, we will obtain an owner's policy of title insurance to protect your ownership interest in the property. We will make arrangements for this title insurance coverage and you will pay an insurance premium (which is a one-time charge payable at the closing) in the approximate amount of \$\_\_\_\_\_ for a mortgagee policy based on a mortgage amount of \$\_\_\_\_\_. Please note that there is a substantial discount should you elect to purchase the mortgagee title insurance policy at the same time as you purchase an owner's title insurance policy. Based on a purchase price of \$\_\_\_\_\_, the "simultaneous issue rate" for both policies would be \$\_\_\_\_\_. If you elect not to obtain an owner's policy, your purchase will not be protected against possible title problems. Title insurance premium rates throughout New York State are established in accordance with a rate schedule filed by title insurance companies and approved by the New York Superintendent of Insurance.

In addition to representing your interests in this matter, we will serve as agent for the title insurance company. The title insurance company will compensate us for our services rendered to it including, but not limited to examining a title report or commitment, clearing underwriting objections and issuing the final policy. Our compensation from the title insurance company for performing the foregoing services and our assumption of responsibility as agent will be 40% of the estimated title insurance premium noted above.

Our code of ethics prohibits us from being compensated twice for the same services if there is any duplication of services in the work we do for you and the insurance company. Therefore, to the extent that there is any duplication of services, we are required to reduce our legal fee by the amount attributable to the same services for which we are also being compensated by the title insurance company. This reduction will be reflected as a credit on your statement for legal services rendered.

Although unlikely and we do not expect it, a situation may arise in which our representation of your interest in this transaction would create a conflict of interest with our obligations to the title insurance company. In most cases, conflicts can be readily resolved by communication between us and the title company. However, if a conflict arises which cannot be resolved, we would withdraw from acting as title agent and would arrange for the title insurance to be issued by another title insurance company. In the unlikely event that an actual conflict cannot be resolved by placing the title insurance with another title insurance company, we would be required by our code of ethics to withdraw from our representation of you and the title company. It is important to us that our representation of you be based on a duty of undivided loyalty and zealous representation.

Should you have any questions about this arrangement, please feel free to contact us or another independent attorney to discuss our proposed arrangement. You have the right not to consent to this arrangement. However, if you elect not to proceed with this arrangement, you will still be required to obtain title insurance to protect your mortgage lender's interest in the property. As a result, the overall cost of the title insurance will be unchanged regardless of whether or not you consent to this arrangement.

We look forward to representing you and to working with you in connection with your real estate transaction.

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Licensed Title Insurance Agent for CATIC Title Insurance Company

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By signing below, you acknowledge that you have read a copy of this disclosure and consent to the foregoing arrangements. In addition, in order to authorize us to obtain an owner's policy of title insurance for you in addition to the mortgagee title insurance policy required by your lender, please check the appropriate box on the enclosed copy of this title insurance disclosure, sign below and return it to us.

I/We want an owner's policy of title insurance and authorize you to obtain such policy on my/our behalf.

I/We do not want an owner's policy of title insurance. I/We acknowledge that you will not provide an opinion of title to me/us. I/We acknowledge that our purchase will not be protected against possible title problems.

Dated: \_\_\_\_\_

\_\_\_\_\_

Name:

\_\_\_\_\_

Name: