

Q Does the title company have to be FHA Approved?

- A** No. Although there is no FHA approval requirement for the title company selected, Liberty recommends using a title company with reverse mortgage experience. The title company must comply with RESPA requirements and be able to create a HUD-1 Settlement Statement/Final HUD-1 Settlement Statement.

Q Does the title company have to be *Liberty* Approved?

- A** 1 No. Although there is no Liberty approval requirement for the title company selected, Liberty recommends using a title company with reverse mortgage experience. The title company must comply with RESPA requirements and be able to create a HUD-1 Settlement Statement/Final HUD-1 Settlement Statement.
- 2 All submitted loans must have a preliminary title report with a title insurance policy written by an insurer with an acceptable rating from an approved independent rating agency. *Refer to chart below.*

| Agency | Acceptable Rating |
|---|---|
| Demotech, Inc. 2941 Donnylane Blvd., Columbus, OH 43235-3228 www.DemoTech.com | A "Financial Stability Rating" of "S" (Substantial) or better or a "Statutory Accounting Rating" of "C" (Average) or better. |
| Duff and Phelps Credit Rating Company 55 East Monroe St., Chicago, IL 60603 www.DuffAndPhelps.com | A "BBB" or better rating. |
| Kroll Bond Ratings 1311 South Main Street, Ste 304, Mt. Airy, MD 21771 www.Srs.KrollBondRatings.com | A "C" or better rating. |
| Moody's Investor Services 99 Church St., New York, NY 10007 www.Moodys.com | A "Baa" or better rating. |
| Standard & Poor's, Inc. Insurance Ratings Services 25 Broadway, New York, NY 10004-1064 www.StandardAndPoors.com | A "BBB" or better rating. |


Q What type of Policy is required for a Reverse Mortgage?

- A** ALTA Loan Policy (<http://www.alta.org/forms/>) or the state specific equivalent. Lender will accept a short form version of the loan policy where available.


Q Who orders the Title Report?

- A** Partners are responsible for opening escrow and obtaining a title report with applicable endorsements. A complete list of required endorsements is located on Page 3.


What are Endorsements?

-  1 Endorsements to a title insurance policy are addenda or attachments to the policy that:
- ☐ May correct or modify a previously issued title policy, or
 - ☐ Alter or modify the provisions of the exceptions, conditions and stipulations of the title policy so that the insured party receives greater coverage than would exist under the terms of the unendorsed title policy.
- 2 Endorsements create a greater liability for the title insurance underwriter, and therefore most endorsements require an additional charge to be collected more than the usual title insurance premium.
- 3 A complete list of required endorsements is located on page 3.


What are Recording Fees?

-  1 Recording of the 1st and 2nd Security Instruments, plus any vesting deeds that require recording. A good estimate is 25-30 pages.
- 2 Price may vary by county.

How Much Coverage Does the Policy Require?

-  1 Title insurance coverage must be equal to the maximum claim amount (MCA) and the final title policy must also list the mortgage amount at 150% of the MCA.
- 2 MCA is the value of the property or HUD's National Lending Limit, whichever is less. HUD's National Lending Limit can be found on [HUD's Mortgage Letter](#) website.

How Do You Calculate Transfer Taxes?

-  1 Transfer taxes aren't required in all states and/or counties.
- 2 The Settlement and/or Closing Agent can assist with this information.
- 3 The amount listed on the security instrument(s) are 150% of the MCA.

Does Liberty Have To Appear As The Lender And On The Closing Protection Letter (CPL)?

-  Yes, and the title report and CPL must reflect the following information:

PHH Mortgage Corporation DBA Liberty Reverse Mortgage
ATTN: RSVDC
1661 Worthington Road Ste 100
West Palm Beach, FL 33409
Loan # must reflect FHA Case #

For Correspondent Lenders, Lender's name and address is acceptable.

Does the Borrower Have To Be On Title?

-  1 Yes. Borrower MUST be on title at time of taking a loan application.
- 2 If the property is vested in a Trust, refer to Liberty Underwriting Guidelines on the [Partner website](#) for requirements.

3 A non-borrowing owner can be removed off title at closing.

4 More information on the Title Report can be found in the Liberty Underwriting Guidelines on the [Partner website](#).

! The Lender Policy Must Include All the Applicable Endorsements:

- ☐ Reverse Mortgage trust mortgagor endorsement (equivalent to an FA 88 or SC 61)
- ☐ CLTA100-ALTA9, Comprehensive
- ☐ CLTA110.9/ALTA8.1, Environmental protection endorsement
- ☐ CLTA 118/ALTA 116, Street address
- ☐ CLTA 111.8/ ALTA 6.2, Variable Rate w/ Neg. Amortization
- ☐ ALTA 14.3 Future Advance – Reverse Mortgage Endorsement
- ☐ CLTA 115.1/ALTA 4, Condominium, if applicable
- ☐ CLTA 115.2/ALTA 5, PUD, if applicable (T-17 in Texas)
- ☐ CLTA 116.5/ALTA 7, Manufactured Home, if applicable
- ☐ Texas only: T-19 Restrictions, Encroachments, Minerals, etc.
- ☐ Texas only: T-33 Adj. Rate Mortgage
- ☐ Reverse Mortgage/Line of Credit Endorsement (T-43 in Texas)
- ☐ Line of Credit/Revolving Credit
- ☐ Reverse Mortgage Endorsement, in states where available which Variable Rate w/ Negative Amortization and Line of Credit
- ☐ Survey Exception Endorsement, if applicable
- ☐ Tax deletion, if applicable
- ☐ CLTA 107.5, leasehold estates on policies that don't cover both the land and improvements
- ☐ ALTA form revised 1970 of title policy or CLTA 100 in California
- ☐ Trust Mortgage Endorsement