



The University of Texas School of Law
52nd Annual William M. Gibson, Jr.

MORTGAGE LENDING AND SERVICING INSTITUTE

ALTA FORMS

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TEXAS OWNER'S & LOAN POLICIES VERSUS 2006 ALTA OWNER'S & LOAN POLICIES

- Substantially the same: Covered Risks, Exclusions, Conditions, & Schedules
- Texas insures good and indefeasible title, instead of marketable title
[TX Owner's & Loan Policy—Covered Risk 3]
- Texas insures against mechanic's liens having an inception on or before the Date of Policy [TX Loan Policy—Covered Risk 11(a) & TX Owner's Policy—Covered Risk 2(d)]
- Texas requires the title insurer to take specific action if it is notified of a claim
[TX Owner's & Loan Policy—Condition 3]
- Texas Arbitration Clause is modified version of the ALTA provision
[TX Loan Policy—Condition 13 & TX Owner's Policy—Condition 14]



COVERED RISK 2

DEFECTS, LIENS, AND ENCUMBRANCES

- List is **NOT EXCLUSIVE**
- Coverage includes Electronic Transactions and Remote Online Notarization
- Covered Risk 2(c) covers survey matters affecting title, if they would have been disclosed by an accurate and complete Land Title Survey
- Express Insurance regarding defects



ENDORSEMENTS AND COVERAGE CONCERNING

COVERED RISK 2

- **Area and Boundary Coverage**
- **T-19** (Restrictions, Encroachments, Minerals Endorsement)
- **T-19.1** (Restrictions, Encroachments, Minerals Endorsement—Owner's Policy)
- **T-25** (Contiguity Endorsement)
- **T-25.1** (Contiguity Endorsement)
- **Express Insurance**



COVERED RISK 3

INSURES AGAINST LACK OF GOOD AND INDEFEASIBLE TITLE

- **NOT** the same as insurable title
- **NOT** the same as marketable title
- May be less than defects



COVERED RISK 4

INSURES AGAINST LACK OF RIGHT OF ACCESS

- This insures a legal right of access
- This does **NOT** insure the physical condition of the access
- **T-23 (Access Endorsement)** insures actual vehicular and pedestrian access and that street is physically open
[similar to ALTA 17[-06] Access and Entry]

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Title search: ALTA Forms

Also available as part of the eCourse

[Current Issues in Real Estate Loan Origination: Home Equity Amendments, Internet Fraud, Individual Lending, and ALTA Forms](#)

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