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DATE: February 16, 2015

TO: All Employees and Agents

FROM: Nancy Koch

RE: Amendment to Rate Manual
Settlement Charges

Please be advised that the New Jersey Land Title Insurance Rating Bureau of which Old Republic is a member has received approval for a series of amendments to the Rate Manual. These amendments are effective **April 1, 2015**. The amendments relate to Settlement Charges.

The Rate Manual has been amended to change the way that Settlement Charges are charged. First, pre- and post-closing work is now specifically included in the functions for which the charge will be made. In addition, the initial time period for which the “base” Settlement Charges as set forth in Section 6 of the Manual apply is reduced to 60 minutes from 90 minutes. Finally, the hourly charges for Settlements of Greater Length have been increased.

The specific changes to the Rate Manual are as follows (underlined material refers to the New Jersey Land Title Insurance Rating Bureau Manual of Rates and Charges eff. 4/1/2015):

Sec. 1.9 “Settlement Charge”: the definition of “Settlement Charge” has been amended to clarify that “real estate closing” and “real estate settlement” are synonymous.

In addition, this section has been amended to provide that the time spent on closing- and settlement-related functions performed both before and after the occurrence of the closing/settlement itself may be included in the functions for which the settlement charge will be made. (Functions for which Service Charges are imposed under Sec. 7.1 of the Manual are excluded.)

Sec. 3.1.5 Right to Impose Special Charges: Section (c) has been amended to clarify that the right to impose Special Charges includes closings/settlements involving extensive pre- or post-closing or settlement-related functions and/or closings/settlements involving an unusually large number of wire transfers or documents to be recorded.

Sec. 6.1 Settlements With Disbursements: this section has been amended to state that the base \$300.00 charge is for settlements which do not exceed 60 minutes in length.

Sec. 6.2.3 Settlements of Greater Than Normal Length: this section (which applies to settlements with disbursements) has been amended a) to conform to the 60 minute limit set forth in Sec. 6.1 and b) to increase the charge for each additional hour or fraction thereof to \$100.00 per hour.

Sec. 6.3 Settlements Without Disbursements: this section has been amended to state that the base \$150.00 charge is for settlements which do not exceed 60 minutes in length.

Sec. 6.4.3 Settlements of Greater Than Normal Length: this section (which applies to settlements without disbursements) has been amended a) to conform to the 60 minute limit set forth in Sec. 6.3 and b) to increase the charge for each additional hour or fraction thereof to \$50.00 per hour.

Sec. 6.4.4 Settlements of Greater Than Normal Length; Itemization of Charges: This is a **new section**. It was added to assure that an itemization of the time expended, setting forth the closing-/settlement-related functions performed before and after the closing or settlement would be provided to the applicant upon request.

Example 6.2.3 Settlements of Greater Than Normal Length: An example of how the charges for settlements of greater than normal length has been added.

The example helps to explain how these amendments are applied:

An agent conducts a settlement, spending one hour at the settlement table, which is preceded by one hour spent performing settlement-related functions. The total settlement charge is \$400.00 computed as follows: \$300.00 for the time spent at the settlement table (in accordance with Section 6.1) and \$100.00 for the settlement-related functions performed before the occurrence of the settlement (in accordance with Section 6.2.3).

Please be reminded that for unusually long or complex closings/settlements or those which involve extensive pre-, post- or settlement functions or an unusually large number of disbursement checks, wire transfers or documents to be recorded, an additional charge commensurate with the work involved may

be made. In this situation, the proposed must be notified of the estimated charge prior to its being imposed and given the opportunity to withdraw the application. (See Sec.3.1.5)

Provided with this memo are red-lined pages from the Rate Manual indicating the amendments. To avoid confusion, a full Rate Manual updated through the effective date of these changes (April 1, 2015) will be circulated in mid-March. If you wish a copy of the updated Manual sooner than that, please e-mail me.

As always, any questions should be addressed to a member of our staff.