

ATTORNEYS TITLE GUARANTY FUND, INC.



**RATE AND RULES FOR THE STATE OF
MINNESOTA**

EFFECTIVE: May 1, 2016

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INTRODUCTION

The rates for the various types of title insurance policies and endorsements offered by Attorneys Title Guaranty Fund, Inc. ("ATGF") are set forth below. Premiums are for title insurance only and do not include search fees, abstract fees, attorney fees, or escrow or closing fees. Additional charges may be assessed for title insurance policies which involve an unusually large amount of work, but the applicant shall be notified before any additional charges would apply. As used herein, the initials ALTA stand for American Land Title Association.

STANDARD RISK RATES

These rates are for ordinary real estate transactions for title insurance coverage provided by the standard forms of ALTA policies and/or endorsements. These rates assume that ATGF will be supplied with evidence satisfactory to the Company that title has been determined based upon a competent examination of title. Fees and charges in connection with the searching, examination, certification and closing of title are not included in these rates, and ATGF may make additional charges for these and other services when applicable.

RIGHT OF ATGF TO ADJUST CHARGES/DECLINE TO INSURE

ATGF may adjust charges in especially difficult titles or for special risk considerations, or for coverage requested by the insured that is not provided in the standard ALTA forms of policies. ATGF may also decline to insure any title. It may, at any time, at its sole discretion, refuse or cancel any application by canceling its charges and notifying the applicant.

RIGHT TO WITHHOLD ISSUANCE OF POLICY

A fundamental principle of insurance is that the insurer does not undertake a risk unless it has been paid the required premium for the policy. Therefore, ATGF will not issue a policy of title insurance until all applicable charges have been paid in full.

AMOUNT OF INSURANCE

Owner's title insurance policies will not be issued for less than the full value of the property as determined by:

1. the contract purchase price for the property including the value of any assumed liens or obligations;
2. the appraised value of the property; or
3. a good faith estimate of the value of the property; except when ATGF is a co-insurer with one or more other title insurers, or when the interest of the insured owner is a leasehold or other interest in the property which is less than fee ownership, in which case no owners title insurance policy will be issued for less than the value of the insured's interest in the property.

Mortgagee title insurance policies will be issued in the amount equal to the face value of the insured mortgage, except:

1. If ATGF is a co-insurer with other title insurers, the amount of insurance may be less than the face amount of the mortgage, provided the total liability of all co-insurers complies with the

amount of insurance requirements set forth in this section;

2. If the value of the insured property or the equity of the mortgagor is less than the face amount of the mortgage, the amount of insurance may be equal to the value of the property or the equity of the mortgagor in the property;
3. If the mortgage includes provisions for negative amortization, shared appreciation, or interest or other costs to be added to the indebtedness or secured by the mortgage, the policy may be written in an amount greater than the face amount of the mortgage;
4. If the indebtedness secured by the mortgage is also secured by mortgages on other property, the policy may be written in an amount equal to the amount of the indebtedness allocated by the insured to be secured by the property provided the values of the other property or properties is equal to or greater than the amount of the indebtedness allocated to the other properties.

Owners and loan policies of title insurance may be issued in amounts less than the minimum amounts stated above if that amount is greater than the Title Insurance Industry Capacity. Title Insurance Industry Capacity is defined by the total liability which can be assumed by ATGF plus the total amount of any co-insurance and/or reinsurance which is available through other title insurance companies.

COMMITMENTS

A properly completed title insurance commitment is a formal and legally binding contract to insure title to real property. In some jurisdictions, a commitment is called a binder. Maximum care must be exercised in the issuance of a title commitment due to the great potential for liability and claim every time a title commitment is issued. Subject to its terms and expiration, the commitment can be relied upon by the insured to obtain a title policy subject only to the exceptions set out therein.

A commitment for title insurance shall be effective for ninety (90) days. ATGF may issue a written endorsement extending the effective period of the commitment provided that:

1. A request for extension is received prior to expiration of the commitment
2. The extension is for no more than ninety (90) days
3. The effective date of the commitment remains unchanged
4. The commitment is not extended for a total period of more than two (2) years

OWNER'S AND LEASEHOLD COVERAGE

The ALTA leasehold owner's and leasehold loan policies are essentially identical to their ALTA counterparts for fee titles and mortgages. An owner's or leasehold policy insuring interest in land should not be issued for an amount greater than nor less than the purchase price of the land. If no sale is involved, the full reasonable value of the land may be agreed upon between ATGF and the proposed insured.

A title insurer or a title insurance agent issuing a title insurance policy to a lender in conjunction with a mortgage loan made simultaneously with the purchase of all or part of the estate securing a loan, where no owner's title insurance policy has been requested, shall give written notice to the purchaser/mortgagor at the closing, on a form prescribed or approved by ATGF, explaining that a title

insurance policy for the lender is being issued for the protection of the mortgage lender, and that the policy does not provide title insurance protection to the purchaser/mortgagor. The notice shall further explain what an owner's title policy insures against, and what possible exposures exist for the purchaser/mortgagor which could be insured against through the purchase of an owner's policy, and the cost of said policy. A copy of the executed notice shall be retained in the agent's file for at least three years after the effective date of the lender's policy.

The premium for an owner's or leasehold policy is calculated as follows*:

*Up to \$100,000 of coverage -----	\$4.00 per \$1,000
\$100,001 to \$150,000, an additional -----	\$3.25 per \$1,000
\$150,001 to \$300,000, an additional -----	\$2.50 per \$1,000
\$300,001 to \$1,000,000, an additional -----	\$2.25 per \$1,000
\$1,000,001 and up, an additional -----	\$2.00 per \$1,000

* Minimum Premium: \$100.00

*Round up to the next thousand on all transactions. (Ex: \$76,003 would be rounded up to \$77,000)

ENHANCED OWNER'S OR LEASEHOLD POLICIES

This policy provides more coverage to owners than the other ALTA Owner's Policies. This policy can only be issued in connection with one-to-four family residential properties, or an individual condominium unit.

The elimination of the printed exception(s) (Standard Coverage Exceptions) from any ALTA form of a policy makes that policy an Enhanced Coverage policy. The applicant/proposed insured shall comply with all underwriting requirements of ATGF for the deletion of any or all printed exceptions. An existing standard policy may be "upgraded" to an ALTA Homeowner's Policy for payment of the additional premium as calculated above over the premium for the standard ALTA Owners Policy. Enhanced coverage is available for one-to-four residential property for owner's coverage with underwriting approval. The property must be a one-to-four family residential lot or condominium unit on a whole lot in a recorded/filed residential subdivision or in a completed condominium subdivision.

The premium for an enhanced owner's or leasehold policy is calculated as follows*:

Up to \$40,000 of coverage -----	\$200.00 flat fee
\$40,001 to \$1,000,000, an additional -----	5.00 per \$1,000
\$1,001,000 and above, an additional -----	3.50 per \$1,000

*Round up to the next thousand on all transactions. (Ex: \$76,003 would be rounded up to \$77,000)

LENDER'S POLICIES/SHORT FORM AND STANDARD

A lender's policy insuring first *lien position* on real property should not be issued for an amount greater than or less than the full principal debt. In some instances, a Lender's policy may be issued for an amount up to 120% of the principal debt to reimburse for interest, foreclosure costs, etc., and in an amount up to 150% of principal debt on adjustable rate mortgages. Short form policies reference

standard full text policies filed and approved and on file with the Insurance Department. They are issued at the same rates as the standard full text policies referenced in the short form.

The premium for a Lender’s policy, is calculated as follows*:

*Up to \$150,000 of coverage -----	\$3.00 per \$1,000
\$150,001 to \$300,000, an additional -----	\$2.50 per \$1,000
\$300,001 to \$500,000, an additional -----	\$2.25 per \$1,000
\$500,001 to \$1,000,000, an additional -----	\$2.00 per \$1,000
\$1,000,001 and up, an additional -----	\$1.75 per \$1,000

* Minimum Premium: \$100.00

*Round up to the next thousand on all transactions. (Ex: \$76,003 would be rounded up to \$77,000)

A Lender’s policy insuring a *second lien* position on real property should only be issued for an amount equal to the full principal debt of the second lien. The premium shall be calculated the same as the premium for a Lender’s policy insuring a first lien position.

ALTA RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY

An ALTA Limited Coverage Junior Loan Policy may be issued to institutional lenders where the loan being insured is in a second or junior position, for the following fee:

Liability:	Charge:
Up to \$75,000.00	\$112.50
\$75,001.00 - \$100,000.00	\$150.00
\$100,001.00 - \$125,000.00	\$187.50
\$125,001.00 and above	\$225.00

U.S. POLICY

The U. S. Government Policy is issued naming the United States of America or one of its Departments as the insured. The policy identifies the vested owner of the land and excepts to those defects, liens and encumbrances which in the judgment of the insurer should appear in the policy. The policy also contains a special provision insuring against loss or damage if the United States acquires title by condemnation and the commitment, as updated to the filing of a lis pendens or declaration of taking, failed to disclose parties having a record interest in the land. However, the policy is not a report or abstract of title.

The insuring provisions of the policy are broad. However, their coverage is limited by the Exceptions in Schedule B of the policy and by the Schedule of Conditions and Limitations contained in the policy. The policy, like all policies, obligates the insurer to provide a defense to its insured. However, unlike other policies, the insurer does not have the right to select the counsel to represent the insured. The United States must be represented by the office of the Attorney General.

The charge for this policy shall be 100% of the Standard Rate for an Owner’s/Leasehold Policy.

SIMULTANEOUS ISSUE

When an owner's or leasehold owner's policy and a mortgagee's loan policy covering identical property are issued simultaneously, the rate is 100% of the owner rate plus \$75.00 for the loan policy. If the amount of the loan policy exceeds the owner's or leasehold owner's policy, then the excess amount will be charged at 100% of the rate for loan policies. In all cases the owner's or leasehold owner's policy shall be issued for the full insurable value of the premises, if insuring a fee simple estate, or for the full insurable value of the leasehold estate, if insuring a leasehold estate. Both policies must bear the same effective date and the owner's or leasehold owner's policy must show the mortgage as an exception. It is not essential that the fee simple or leasehold estate be acquired simultaneously with the issuance of the mortgagee's loan policies.

REISSUE RATES

By definition, the reissue rate, when applicable, is 60% of the rate for the original insurance. The reissue rate can be applied only up to the amount of insurance of previously issued policy. The excess amount of insurance, if any, must be calculated at charges under applicable brackets. Reissue rates are applicable under the following circumstances:

1. A purchaser or lessee or real estate from one whose title thereto, as owner, has been insured by any title insurance company within ten (10) years prior to the application for a new owner's or leasehold policy shall be entitled to the reissue rate for owner's title insurance in an amount up to the face liability of such former policy. A copy of said former policy must be furnished to the new insurer (new issuing agent) prior to issuance of the new owner's policy.
2. When the owner of real property grants a new mortgage on the same property encumbered by a previous mortgage given by the same owner, the owner shall be entitled to the reissue rate for lender's title insurance in an amount up to the face liability of the mortgage being refinanced.
3. No reissue credit shall be given if the examination of title reveals any of the following occurrences since the effective date of the prior policy: bankruptcy, foreclosure, multiple lawsuits or judgments, a gap in title, a conveyance of title into divided interests of less than 1/16, more than 20 additional easements.

Note: A policy issued insuring a policy amount other than an even thousand dollars of coverage, shall be charged at the rate applicable for the next highest \$1,000 of coverage. For policies over \$1,000,000, ATGF reserves the right to charge any amount it deems appropriate for the entire policy, but not to exceed \$0.75 per thousand for coverage amount in excess of \$1,000,000.

Note 2: Any amount in excess of the prior mortgage amount shall be calculated at the standard lenders premium contained herein.

ENDORSEMENTS

ATGF offers the following ALTA endorsements for use with the applicable policies.

<u>Endorsement</u>	<u>Form Number</u>	<u>Charge</u>
ALTA Aggregation - State Limits; Loan	ALTA 12.1-06	No charge
ALTA Contiguity - Specified Parcels	ALTA 19.2-06	No charge
ALTA Encroachments - Boundaries and Easements	ALTA 28.1-06	No charge
ALTA Encroachments - Boundaries and Easements - Described Improvements	ALTA 28.2-06	No charge
ALTA Encroachments - Boundaries and Easements - Described Improvements	ALTA 28.3-06	No charge
ALTA Zoning - Land Under Development	ALTA 3.2-06	10% of base policy premium
ALTA Commercial Participation Interest	ALTA 30.1-06	No charge
ALTA Minerals and Other Subsurface Substances - Improvements	ALTA 35.1-06	No charge
ALTA Minerals and Other Subsurface Substances - Described Improvements	ALTA 35.2-06	No charge
ALTA Minerals and other Subsurface Substances - Land Under Developments	ALTA 35.3-06	No charge
ALTA Energy Project - Leasehold/Easement - Loan Policy	ALTA 36.1-06	\$100
ALTA Energy Project - Leasehold; Owners	ALTA 36.2-06	\$100
ALTA Energy Project - Leasehold; Loan Policy	ALTA 36.3-06	\$100
ALTA Energy Project - Covenants, Conditions, and Restrictions - Land Under Development; Owners	ALTA 36.4-06	15% of Base Premium
ALTA Energy Project - Covenants, Conditions, and Restrictions - Land Under Development; Loan Policy	ALTA 36.5-06	15% of Base Premium
ALTA Energy Project - Encroachments	ALTA 36.6-06	15% of Base Premium
ALTA Energy Project - Fee Estate - Owner's	ALTA 36.7-06	15% of Base Premium
ALTA Energy Project - Fee Estate; Loan Policy	ALTA 36.8-06	15% of Base Premium
ALTA Energy Project - Leasehold/Easement; Owner's	ALTA 36-06	\$100.00
ALTA Assignment of Rents or Leases	ALTA 37-06	No charge
ALTA Mortgage Tax	ALTA 38-06	No charge
ALTA Tax Credit - Defined Amount; Owner's	ALTA 40.1-06	No charge
ALTA Tax Credit; Owner's	ALTA 40-06	No charge
ALTA Water - Buildings	ALTA 41-06	No charge
ALTA Water - Improvements	ALTA 41.1-06	No charge
ALTA Water - Described Improvements	ALTA 41.2-06	No charge

ALTA Water - Land Under Development	ALTA 41.3-06	No charge
ALTA Commercial Lender Group Endorsement	ALTA 42-06	No charge
ALTA Anti-Taint	ALTA 43-06	No charge
ALTA Insured Mortgage Recording; Loan Policy	ALTA 44-06	No charge
ALTA Pari Passu Mortgage; Loan Policy	ALTA 45-06	No charge
ALTA Restrictions, Encroachments, Minerals - Current Violations; Loan Policy	ALTA 9.10-06	No charge
ALTA Private Rights - Loan Policy	ALTA 9.6-06	No charge
ALTA Restrictions, Minerals - Land Under Development; Loan Policy	ALTA 9.7-06	No charge
ALTA Covenants, Conditions, and Restrictions - Land Under Development; Owners Policy	ALTA 9.8-06	No charge
ALTA Private Rights; Owners	ALTA 9.9-06	No charge
ALTA Mortgage Modification with Additional Amount of Insurance	ALTA 11.2-06	\$150.00 + any additional premium
Arbitration Provision Loan Policy	ATGF APL	No charge
Arbitration Provision Owners Policy	ATGF APO	No charge
Change of Partners (Fairway)	ATGF CoP	No charge
Commitment Gap Endorsement	ATGF Commitment Gap	No charge
ALTA Assignment and Date Down	ALTA 10.1-06	No charge
ALTA Assignment	ALTA 10-06	No charge
ALTA Street Assessment	ALTA 1-06	No charge
ALTA Mortgage Modification	ALTA 11-06	No charge
ALTA Aggregation	ALTA 12-06	No charge
ALTA Leasehold, Loan	ALTA 13.1-06	No charge
ALTA Leasehold, Owners	ALTA 13-06	No charge
ALTA Future Advance - Knowledge	ALTA 14.1-06	No charge
ALTA Future Advance - Letter of Credit	ALTA 14.2-06	No charge
ALTA Future Advance - Reverse Mortgage	ALTA 14.3-06	No charge
ALTA Future Advance - Priority	ALTA 14-06	No charge
ALTA Nonimputation - Additional Insured	ALTA 15.1-06	No charge
ALTA Nonimputation - Partial Equity Transfer	ALTA 15.2-06	No charge
ALTA Nonimputation - Full Equity Transfer	ALTA 15-06	No charge
ALTA Mezzanine Financing	ALTA 16-06	No charge
ALTA Indirect Access and Entry	ALTA 17.1-06	No charge
ALTA Utility Access	ALTA 17.2-06	No charge
ALTA Access and Entry	ALTA 17-06	No charge
ALTA Multiple Tax Parcel	ALTA 18.1-06	No charge
ALTA Single Tax Parcel	ALTA 18-06	No charge
ALTA Contiguity - Single Parcel	ALTA 19.1-06	No charge
ALTA Contiguity - Multiple Parcels	ALTA 19-06	No charge

ALTA First Loss	ALTA 20-06	No charge
ALTA Truth in Lending	ALTA 2-06	No charge
ALTA Creditors' Rights	ALTA 21-06	No charge
ALTA Location and Map	ALTA 22.1-06	No charge
ALTA Location	ALTA 22-06	No charge
ALTA Co-Insurance	ALTA 23-06	No charge
ALTA Doing Business	ALTA 24-06	No charge
ALTA Same as Portion of Survey	ALTA 25.1-06	No charge
ALTA Same as Survey	ALTA 25-06	No charge
ALTA Subdivision	ALTA 26-06	No charge
ALTA Usury	ALTA 27-06	10% of base policy premium
ALTA Easement	ALTA 28-06	No charge
ALTA Interest Rate Swap - Additional Interest	ALTA 29.1-06	No charge
ALTA Interest Rate Swap - Direct Obligation; Defined Amount	ALTA 29.2-06	No charge
ALTA Interest Rate Swap - Additional Interest; Defined Amount	ALTA 29.3-06	No charge
ALTA Interest Rate Swap - Direct Obligation	ALTA 29-06	No charge
ALTA Zoning - Completed Structure	ALTA 3.1-06	10% of base policy premium
ALTA One to Four Shared Application Mortgage	ALTA 30-06	No charge
ALTA Zoning	ALTA 3-06	10% of base policy premium
ALTA Severable Improvements	ALTA 31-06	No charge
ALTA Construction Loan – Loss of Priority; Direct Payment	ALTA 32.1-06	No charge
ALTA Construction Loan – Loss of Priority; Insured's Direct Payment	ALTA 32.2-06	No charge
ALTA Construction Loan – Loss of Priority	ALTA 32-06	No charge
ALTA Disbursement	ALTA 33-06	No charge
ALTA Identified Risk Coverage	ALTA 34-06	Underwriter to determine charge. Minimum of 10% of Basic Rate
ALTA Policy Authentication	ALTA 39-06	No charge
ALTA Condominium	ALTA 4.1-06	No charge
ALTA Condominium	ALTA 4-06	No charge
ALTA Planned Unit Development	ALTA 5.1-06	No charge
ALTA Planned Unit Development	ALTA 5-06	No charge
ALTA Variable Rate - Negative Amortization	ALTA 6.2-06	\$50
ALTA Variable Rate	ALTA 6-06	\$50
ALTA Manufactured Housing - Conversion; Loan	ALTA 7.1-06	\$50
ALTA Manufactured Housing - Conversion; Owners	ALTA 7.2-06	\$50
ALTA Manufactured Housing Unit	ALTA 7-06	\$50
ALTA Environmental Protection Lien	ALTA 8.1-06	No charge
ALTA Commercial Environmental Protection Lien	ALTA 8.2-06	No charge

ALTA Restrictions, Encroachments, and Minerals - OP, Unimproved	ALTA 9.1-06	No charge
ALTA Restrictions, Encroachments, and Minerals - OP, Improved	ALTA 9.2-06	No charge
ALTA Restrictions, Encroachments, and Minerals - Loan	ALTA 9.3-06	No charge
ALTA Restrictions, Encroachments, and Minerals - OP, Unimproved	ALTA 9.4-06	No charge
ALTA Restrictions, Encroachments, and Minerals - OP, Improved	ALTA 9.5-06	No charge
ALTA Restrictions, Encroachments, and Minerals	ALTA 9-06	No charge
Form E - Commitment	ATGF Form EC	No charge
Form E - Policy	ATGF Form EP	No charge
ALTA JR1	ALTA JR1	No charge
ALTA JR2	ALTA JR2	No charge
Payment of Loss Endorsement	ATGF Minnesota Payment of Loss	No charge
ALTA Minerals and Other Subsurface Substances - Buildings	ALTA 35-06	No charge