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## ARTU 2023 Fall Q & A

### Description

#### *Anal Retentive Title Underwriter Question & Answer*

In 2012, Bank of Westeros made a \$150,000.00 loan to Robert Baratheon, secured the note with a deed of trust on Lot 5 of Wessex, and obtained a lender's title insurance policy. In 2015, Robert defaulted on the loan and subsequently died intestate. A pre-foreclosure search revealed a potential outstanding interest or interests in Wessex, and in February of 2016, Bank of Westeros filed a claim. In March 2016, the Bank contacted the title insurance company and advised that, notwithstanding the potential outstanding interest, a Mace Tyrell is willing to purchase the note from the Bank, but only if the title insurance company will issue an endorsement to the policy naming him as an insured. As claims counsel, how do you opine?

- a. An endorsement can be issued because Mace Tyrell would be an insured under the policy if he purchased the note.
- b. An endorsement should not be issued because the title insurance company has knowledge of a potential claim.
- c. An endorsement should not be issued because the company might be prejudiced.
- d. Both b and c.

#### **Answer: a**

An endorsement can be issued. The company is already exposed to any outstanding interest, and Mace Tyrell would be an insured with or without an endorsement as a successor in ownership of the indebtedness, and the company has no defenses against Bank of Westeros.

#### **Category**

1. Uncategorized
2. Underwriting

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