

What is a Commitment?

The Commitment for Title Insurance is issued only as a preliminary instrument in instances in which the title company has a bona fide order for the policy(ies) of Title Insurance specified, to be issued within ninety (90) days from the effective date of the Commitment. There is no charge made by any title company for issuance of the Commitment.

The Commitment for Title Insurance informs those to be insured by a title policy of the condition of the property involved. In addition, it informs the future insureds of any requirements that must be met before a policy will be issued. In most instances, the Seller is required by the contract to furnish the Commitment to the Purchaser. If a loan is part of the transaction, the Lender will require a Commitment at some time during the processing of the loans.

A Commitment for Title Insurance consists of four (4) schedules:

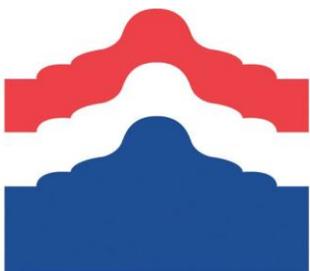
Schedule A: Sets out the effective date of the Commitment, the names of the insureds, the sales price, loan amount, the estate or interest in the land (fee simple, easement estate, leasehold estate, etc.) the name of the person(s) in the title at the date of the Commitment and the legal description of the property under consideration.

Schedule B: Informs the insureds of everything of record that affects that property such as restrictions, liens, oil and gas reservations, easements and so on, guarantees that ad valorem taxes are paid current through a designated year and in general, limits the liability of the policy(ies) to be issued.

Schedule C: Informs the insureds of any requirement(s) that must be met before a policy(ies) will be issued.

Schedule D: (according to State Rules and Regulations) is a disclosure of the officers of the Title Company and Underwriter(s) and also discloses the premiums to be charged for the policy(ies) and the beneficiary(ies) of such premiums.

All Commitment forms, furnished by Underwriters, are exactly the same as to content. The only difference can be in the spacing of the items. The title industry is regulated closely by the Rules, Rates, and Forms for the writing of Title Insurance in the State of Texas.



ALAMO TITLE COMPANY