

**ALTA CLOSING PROTECTION LETTER  
MULTIPLE TRANSACTIONS  
issued by  
BLANK TITLE INSURANCE COMPANY**

“Addressee”:

“Date”:

“Issuing Agent” or “Approved Attorney”:

[Issuing Office:  
Issuing Office’s ALTA® Registry ID:]

Re: Closing Protection Letter

Dear

In consideration of Your acceptance of this letter, [*Blank Title Insurance Company*] (the “Company”), agrees to indemnify You for actual loss of Funds incurred by You in connection with the closing of any real estate transaction (the “Real Estate Transaction”) conducted by the Issuing Agent or Approved Attorney on or after the Date of this letter, subject to the Requirements and Conditions and Exclusions set forth below:

**REQUIREMENTS**

1. The Company issues or is contractually obligated to issue a Policy for Your protection in connection with the Real Estate Transaction;
2. You are to be a lender secured by the Insured Mortgage on the Title to the Land;
3. The aggregate of all Funds You transmit to the Issuing Agent or Approved Attorney for the Real Estate Transaction does not exceed \$\_\_\_\_\_; and
4. Your loss is solely caused by:
  - a. a failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions that relate to:
    - i. (a). the disbursement of Funds necessary to establish the status of the Title to the Land; or
    - (b). the validity, enforceability, or priority of the lien of the Insured Mortgage; or
  - ii. obtaining any document, specifically required by You, but only to the extent that the failure to obtain the document adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land; or
- b. fraud, theft, dishonesty, or misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land.



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**CONDITIONS AND EXCLUSIONS**

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1. Your transmittal of Funds or documents to the Issuing Agent or Approved Attorney for the Real Estate Transaction constitutes Your acceptance of this letter.
  2. For purposes of this letter:
    - a. “Commitment” means the Company’s written contractual agreement to issue the Policy.
    - b. “Funds” means the money received by the Issuing Agent or Approved Attorney for the Real Estate Transaction.
    - c. “Policy” means the contract or contracts of title insurance, each in a form adopted by the American Land Title Association, issued or to be issued by the Company in connection with the closing of the Real Estate Transaction.
    - d. “You” or “Your” means:
      - i. the Addressee of this letter;
      - ii. the borrower, if the Land is improved solely by a one-to-four family residence; and
      - iii. subject to all rights and defenses relating to a claim under this letter that the Company would have against the Addressee,
        - (a). the assignee of the Insured Mortgage, provided such assignment was for value and the assignee was, at the time of the assignment, without Knowledge of facts that reveal a claim under this letter; and
        - (b). the warehouse lender in connection with the Insured Mortgage.
    - e. “Indebtedness,” “Insured Mortgage,” “Knowledge” or “Known,” “Land,” and “Title” have the same meaning given them in the American Land Title Association Loan Policy.
  3. The Company is not liable under this letter for any loss arising from any:
    - a. failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions that require title insurance protection in connection with the Real Estate Transaction inconsistent with that set forth in the Commitment. Your written closing instructions received and accepted by the Issuing Agent or Approved Attorney after issuing the Commitment that require the removal, where allowed by state law, rule, or regulation, of specific Schedule B Exceptions from Coverage or compliance with the requirements contained in the Commitment will not be deemed to require inconsistent title insurance protection;
    - b. loss or impairment of Funds in the course of collection or while on deposit with a bank due to bank failure, insolvency, or suspension, except loss or impairment resulting from failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions to deposit Your Funds in a bank that You designated by name;
    - c. constitutional or statutory lien or claim of lien that arises from services, labor, materials, or equipment, if any Funds are to be used for the purpose of construction, alteration, or renovation. Condition and Exclusion 3.c. does not modify or limit Your coverage, if any, as to any lien for services, labor, materials, or equipment in the Policy;
    - d. defect, lien, encumbrance, adverse claim, or other matter in connection with the Real Estate Transaction. Condition and Exclusion 3.d. does not modify or limit Your coverage in the Policy;
    - e. fraud, theft, dishonesty, misappropriation, or negligence by You or by Your employee, agent, attorney, or broker;
    - f. fraud, theft, dishonesty, or misappropriation by anyone other than the Company, Issuing Agent, or Approved Attorney;
    - g. settlement or release of any claim by You without the Company’s written consent;
    - h. matters created, suffered, assumed, agreed to, or Known by You;
    - i. failure of the Issuing Agent or Approved Attorney to determine the validity, enforceability, or the effectiveness of a document required by Your closing instructions. Condition and Exclusion 3.i. does not modify or limit Your coverage in the Policy;

- 104 j. Any law regulating trade, lending, credit, sale, and debt collection practices involving  
105 consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory  
106 lending, or a borrower's ability to repay a loan, including any failure of the Issuing Agent or  
107 Approved Attorney to comply with Your closing instructions relating to those laws;
- 108 k. federal or state laws establishing the standards or requirements for asset-backed securitization  
109 including, but not limited to, exemption from credit risk retention, including any failure of the  
110 Issuing Agent or Approved Attorney to comply with Your closing instructions relating to those  
111 laws;
- 112 l. periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land;
- 113 m. Issuing Agent or Approved Attorney acting in the capacity of a qualified intermediary or  
114 facilitator for tax deferred exchange transactions as provided in Section 1031 of the Internal  
115 Revenue Code; or
- 116 n. wire fraud, mail fraud, telephone fraud, facsimile fraud, unauthorized access to a computer,  
117 network, email, or document production system, business email compromise, identity theft, or  
118 diversion of Funds to a person or account not entitled to receive the Funds. Condition and  
119 Exclusion 3.n. does not modify or limit:
- 120 i. Your coverage in the Policy; or
- 121 ii. indemnification in this letter for Your loss solely caused by fraud, theft, dishonesty, or  
122 misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or  
123 documents in connection with the closing, but only to the extent that the fraud, theft,  
124 dishonesty, or misappropriation adversely affects the status of the Title to the Land or  
125 the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to  
126 the Land.
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- 128 4. If the closing is to be conducted by an Approved Attorney, a Commitment in connection with the Real  
129 Estate Transaction must have been received by You prior to the transmittal of Your final closing  
130 instructions to the Approved Attorney.
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- 132 5. When the Company indemnifies You pursuant to this letter, it is subrogated to all rights and remedies  
133 You have against any person, entity, or property had You not been indemnified. The Company's  
134 liability for indemnification is reduced to the extent that You have impaired the value of this  
135 subrogation right.
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- 137 6. The Company's liability for loss under this letter does not exceed the least of:
- 138 a. the amount of Your Funds;
- 139 b. the Company's liability under the Policy at the time written notice of a claim is made under this  
140 letter;
- 141 c. the value of the lien of the Insured Mortgage;
- 142 d. the value of the Title to the Land insured or to be insured under the Policy at the time written  
143 notice of a claim is made under this letter; or
- 144 e. the amount stated in Requirement 3.
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- 146 7. The Company is liable only to the owner of the Indebtedness at the time that payment is made.  
147 Condition and Exclusion 7 does not apply to a purchaser, borrower, or lessee.
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- 149 8. Payment to You or to the owner of the Indebtedness under either the Policy or from any other source  
150 reduces liability under this letter by the same amount. Payment in accordance with the terms of this  
151 letter constitutes a payment pursuant to the Conditions of the Policy.
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- 153 9. The Issuing Agent is the Company's agent only for the limited purpose of issuing policies. Neither the  
154 Issuing Agent nor the Approved Attorney is the Company's agent for the purpose of providing closing  
155 or settlement services. The Company's liability for Your loss arising from closing or settlement

- 156 services is strictly limited to the contractual protection expressly provided in this letter. The Company  
157 is not liable for loss resulting from the fraud, theft, dishonesty, misappropriation, or negligence of any  
158 party to the Real Estate Transaction, the lack of creditworthiness of any borrower connected with the  
159 Real Estate Transaction, or the failure of any collateral to adequately secure a loan connected with  
160 the Real Estate Transaction.  
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- 162 **10.** The Company is not liable for a loss if the written notice of a claim is not received by the Company  
163 within one year from the date of the transmittal of Funds. The condition that the Company must be  
164 provided with written notice under Condition and Exclusion 10 will not be excused by lack of prejudice  
165 to the Company.  
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- 167 **11.** You must promptly send written notice of a claim under this letter to the Company at its principal  
168 office at \_\_\_\_\_. If the Company is prejudiced by Your failure to  
169 provide prompt notice, the Company's liability to You under this letter is reduced to the extent of the  
170 prejudice.  
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- 172 **12.** When requested by the Company, You, at the Company's expense, must:  
173 a. give the Company all reasonable aid in:  
174 i. securing evidence, obtaining witnesses, prosecuting or defending any action or  
175 proceeding, or effecting any settlement; and  
176 ii. any other lawful act that in the opinion of the Company may be necessary or desirable  
177 to enable the Company's investigation and determination of its liability under this letter;  
178 b. deliver to the Company all records, in whatever medium maintained, that pertain to the Real  
179 Estate Transaction or any claim under this letter; and  
180 c. submit to examination under oath by any authorized representative of the Company with  
181 respect to any such records, the Real Estate Transaction, any claim under this letter or any  
182 other matter reasonably deemed relevant by the Company.  
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- 184 **13.** The Company is not liable under this letter if:  
185 a. the Real Estate Transaction has not closed within one year from the Date of this letter; or  
186 b. at any time after the Date of this letter, but before the Real Estate Transaction closes, the  
187 Company provides written notice of termination of this letter to the Addressee at the address  
188 set forth above.  
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- 190 **14.** The protection of this letter extends only to real estate in **[State]**, and any court or arbitrator must  
191 apply the law of that state to interpret and enforce the terms of this letter. The court or arbitrator must  
192 not apply conflicts of law principles to determine the applicable law. Any litigation or other proceeding  
193 under this letter must be filed only in a state or federal court within the United States of America or  
194 its territories having jurisdiction.  
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- 196 **15.** There is no right for any claim under this letter to be arbitrated or litigated on a class action basis.  
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- 198 **[16.]** Either the Company or You may demand that any claim arising under this letter be submitted to  
199 arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association,  
200 unless You have a Policy for the Real Estate Transaction with an Amount of Insurance greater than  
201 \$2,000,000. If You have a Policy for the Real Estate Transaction with an Amount of Insurance greater  
202 than \$2,000,000, a claim arising under this letter may be submitted to arbitration only when agreed  
203 to by both the Company and You. **[If the Real Estate Transaction solely involves a one-to-four family  
204 residence and You are the purchaser or borrower, the Company will pay the costs of arbitration.]]**  
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207 This letter supersedes and cancels any previous letter or similar agreement for closing protection that  
208 applies to the Real Estate Transaction and may not be modified by the Issuing Agent or Approved Attorney.  
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210  
211 **BLANK TITLE INSURANCE COMPANY**  
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214 **By:** \_\_\_\_\_  
215 **[Authorized Signatory]**  
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217 *(The name of a particular issuing agent or approved attorney may be inserted in lieu of reference to Issuing*  
218 *Agent or Approved Attorney contained in this letter and the words “Underwritten Title Company” may be*  
219 *inserted in lieu of Issuing Agent.)*

