



TITLE TIP

From the Central Alabama Title Center, LLC

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The ALTA Short Form Residential Loan Policy

“Is SHORTer Better?”

In my years in the title insurance industry, a general misunderstanding of the ALTA Short Form Residential Loan Policy has been fairly consistent among lenders and processors. I thought it might be helpful to share some information I recently obtained by participating in a webinar offered by our Underwriter, Fidelity National Title Insurance Company. The following gives you an overview of the Short Form:

- The Short Form is a two-page simplified form loan policy that incorporates by reference the terms and provisions of the ALTA Loan Policy and a number of ALTA endorsements, which may be included by check box.
- The Short Form provides the **SAME COVERAGE** as an **ALTA Loan Policy** without the necessity of producing the entire Loan Policy Jacket.
- The Short Form was originally instituted at the request of the lending industry as a means of reducing paper and keeping loan files simpler for bundling mortgage-backed assets and the like.
- The ALTA Loan Policy’s terms, exclusions and conditions are incorporated by reference into the Short Form policy.
- Although the policy form is abbreviated **the search and examination process is not!**
- The same underwriting guidelines used when issuing a full ALTA Loan Policy (6-17-06) are used when preparing an ALTA Short Form Residential Loan Policy.
- The Short Form may only be issued on property improved with a 1-4 family residence, including condos. The property must also be a platted lot in a subdivision OR less than 25 acres.
- The Short Form specifically does not require a survey to issue the policy but if you provide one to your title company and it reveals exceptions, they will be shown on the Short Form policy.
- The Short Form includes a series of Endorsements, which if checked on the policy form, are automatically incorporated in the policy.

*Is “shorter”
really better
when the
premium is
still the
same?*

The Short Form utilizes the same premium pricing structure as the ALTA Loan Policy (6-17-06).

As always, should you have questions, please feel free to give CATC at call at 888-207-6200

Information compliments of CATC web site March 2014

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