

**POLUNSKY BEITEL GREEN**  
ATTORNEYS AT LAW

To: Clients and Friends of the Firm  
From: Polunsky Beitel Green, LLP  
Date: April 9, 2019  
Subject: Texas Title Insurance Guaranty Fee

As you may be aware, prior to January 1, 2019, there was a special Texas title fee called a Guaranty Fee that was collected on Texas title policies. This fee was collected on each Texas title policy and was placed into a fund that would then be available to subsidize the audit function of the title regulator and to compensate parties for certain losses on title policies where the title provider was otherwise unable to pay.

On January 1, 2019, Texas title agents stopped assessing this fee, pending action by the Texas Department of Insurance to re-establish the requirement that the fee be collected and establishing the appropriate dollar amount of the fee. The Texas Department of Insurance has now re-established the fee for transactions closing on or after May 1, 2019 and the new fee will be in the amount of \$2.00 per policy. The fee should be disclosed on the Loan Estimate and Closing Disclosure as a title-related fee, and would be placed in Section B if the Borrower did not shop for title services and in Section C if the Borrower did shop for title services. Please note that this fee is separate from the Guaranty Assessment Recoupment Charge ("GARC"), which was also suspended at the same time as the policy guaranty fee. We anticipate that the GARC fee may also be reinstated later in the year.

If you have any questions regarding this memorandum, please contact any of our firm attorneys or representatives below.

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