

## CLOSING PROTECTION LETTER

\_\_\_\_\_ TITLE INSURANCE COMPANY

Lender (or Buyer) Name  
Lender (or Buyer) Address  
Lender (or Buyer) Address

Date

Agent ID  
"Issuing Agent"  
Agent Name  
Agent Address  
Agent Address

Transaction (hereafter, "the Real Estate Transaction"):

Re: Closing Protection Letter

Dear Madam or Sir:

\_\_\_\_\_ Title Insurance Company (the "Company") agrees, subject to the Conditions and Exclusions set forth below, to reimburse you for actual loss incurred by you, in connection with the closing of the Real Estate Transaction conducted by the Issuing Agent, provided:

- (A) Title insurance of the Company is specified for your protection in connection with the closing; and,
- (B) You are to be the (i) lender secured by a mortgage (including any other security instrument) of an interest in land, its assignees or a warehouse lender, (ii) purchaser of an interest in land, or (iii) lessee of an interest in land;

and provided the loss arises out of:

1. Failure of the Issuing Agent to comply with your written closing instructions to the extent that they relate to (a) the status of the title to that interest in land or the validity, enforceability and priority of the lien of the mortgage on that interest in land, including the obtaining of documents and the disbursement of funds necessary to establish the status of title or lien, or (b) the obtaining of any other document, specifically required by you, but only to the extent the failure to obtain the other document affects the status of the title to that interest in land or the validity, enforceability and priority of the lien of the mortgage on that interest in

land, and not to the extent that your instructions require a determination of the validity, enforceability or the effectiveness of the other document; or

2. Acts of theft of settlement funds or fraud with regard to settlement funds by the Issuing Agent in connection with such closings to the extent such theft or fraud affects the status of the title to said interest in land or the validity, enforceability or priority of the lien of said mortgage or deed of trust on said interest in land; or
3. Acts of theft of or fraud with regard to the purchaser's earnest money or settlement funds deposited with Issuing Agent.

If you are a lender protected under the foregoing paragraph, your borrower, your assignee and your warehouse lender in connection with a loan secured by a mortgage shall be protected as if this letter were addressed to them.

#### Conditions and Exclusions

1. The Company will not be liable to you for loss arising out of:
  - A. Failure of the Issuing Agent to comply with your closing instructions which require title insurance protection inconsistent with that set forth in the title insurance binder or commitment issued by the Company. Instructions which require the removal of specific exceptions to title or compliance with the requirements contained in the binder or commitment shall not be deemed to be inconsistent.
  - B. Loss or impairment of your funds in the course of collection or while on deposit with a bank due to bank failure, insolvency or suspension, except as shall result from failure of the Issuing Agent to comply with your written closing instructions to deposit the funds in a bank which you designated by name.
  - C. Defects, liens, encumbrances or other matters in connection with your purchase, lease or loan transactions except to the extent that protection against those defects, liens, encumbrances or other matters is afforded by a policy of title insurance not inconsistent with your closing instructions.
  - D. Fraud, dishonesty or negligence of your employee, agent, attorney or broker.
  - E. Your settlement or release of any claim without the written consent of the Company.
  - F. Any matters created, suffered, assumed or agreed to by you or known to you.

2. The protection herein offered shall not exceed the amount of settlement funds you transmit to the Issuing Agent.
3. When the Company shall have reimbursed you pursuant to this letter, it shall be subrogated to all rights and remedies which you would have had against any person or property had you not been so reimbursed. Liability of the Company for reimbursement shall be reduced to the extent that you have knowingly and voluntarily impaired the value of this right of subrogation.
4. The Issuing Agent is the Company's agent only for the limited purpose of issuing title insurance policies, and is not the Company's agent for the purpose of providing other closing or settlement services. The Company's liability for your losses arising from those other closing or settlement services is strictly limited to the protection expressly provided in this letter. Any liability of the Company for loss does not include liability for loss resulting from the negligence, fraud or bad faith of any party to a real estate transaction other than an Issuing Agent, the lack of creditworthiness of any borrower connected with a real estate transaction, or the failure of any collateral to adequately secure a loan connected with a real estate transaction. However, this letter does not affect the Company's liability with respect to its title insurance binders, commitments or policies.
5. You must promptly send written notice of a claim under this letter to the Company at its principal office at \_\_\_\_\_ . The Company is not liable for a loss if the written notice is not received within one year from the date of the closing.
6. The protection herein offered extends only to real property transactions in Missouri.

Any previous closing protection letter provided to you is hereby cancelled only with respect to the Real Estate Transaction.

\_\_\_\_\_ **TITLE INSURANCE COMPANY**

**By:** \_\_\_\_\_