SENATE FILE NO. SF0051

Title insurance.

Sponsored by: Senator(s) Case

A BILL

for

AN ACT relating to banking; providing for continuation of title insurance when refinancing real property loans; limiting lenders requiring additional title insurance; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 13-3-105 is created to read:

13-3-105. Continuation of title insurance.

(a) If a loan for real estate is a refinancing of the same property for the same owner and the refinancing is the only material change in circumstance:

(i) If there is no increase in the loan amount, the previous title insurance policy shall remain in effect and no additional title insurance shall be required; or

(ii) If there is an increase in the loan amount, the lender shall only require additional title insurance covering the increase in the loan amount. The lender may waive the additional coverage if the previous title insurance policy provides sufficient protection for the increased loan amount.

Section 2. W.S. 13-7-501 and 26-23-308 by creating a new subsection (c) are amended to read:

13-7-501. General requirements.

For every loan made, except a loan from one (1) association to another, a note or bond specifying the amount loaned and the rate of interest and premium to be paid, secured by first mortgage on improved real estate, shall be taken. A complete abstract of title for the real estate signed by the person or corporation furnishing the abstract which shall be examined by a competent attorney-at-law and his opinion furnished approving the title and showing that the mortgage is a first lien, or, except as provided in W.S. 13-3-105, a policy of title insurance of a reliable title insurance company authorized to issue insurance on titles within this state, or a duplicate certificate of ownership issued by a registrar of titles, shall be furnished. No mortgage loan shall be made except upon the report in writing of an appraiser or a committee of appraisers appointed by the board of directors which shall state the conservative value of the mortgage security. The directors may also loan upon the security of savings on deposit in the association to the amount of ninety percent (90%) of their withdrawal value, and may loan upon or invest in bonds of the United States and the state of Wyoming, in real property loans insured by the federal housing administration or guaranteed by the veterans administration, and in classes of bonds and warrants of the counties, school districts and other municipalities, as well as local improvement districts in this state, as the state banking commissioner may from time to time approve but no association shall loan any of its funds to an officer or director of the association.

26-23-308. Underwriting standards; record retention.

(c) A title insurance policy shall remain in effect as provided in W.S. 13-3-105 if an owner obtains a loan for refinancing of the same property for the same owner and the refinancing is the only change in circumstance.

Section 3. The provisions of this act shall only apply to title insurance policies issued, renewed, delivered or issued for delivery in this state on or after the effective date of this act.

Section 4. This act is effective July 1, 2009.

(END)