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# TAKE JUDICIAL NOTICE

## STATUTORY PROHIBITIONS AGAINST "TYING" TITLE INSURANCE TO MORTGAGE FINANCING

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**July 16, 2008**

The New York State Banking Department has issued the following letter in answer to meetings held by our own Richard Giliotti with Vito Lopez, author of the Lopez Act, and Richard Neiman, Chairman of the New York State Banking Department. Judicial has been lobbying against this practice for more than two years.

We believe it may stop some lenders from continuing to tie title insurance to mortgage financing, and it can also be used by our clients to buttress their position when in discussions about this practice.



STATE OF NEW YORK  
BANKING DEPARTMENT  
ONE STATE STREET PLAZA  
NEW YORK, NY 10004-1417

RICHARD H. NEIMAN  
Superintendent of Banks

July 9, 2008

To the President of the Institution Addressed:

Re: Statutory Prohibitions Against "Tying" Title Insurance to Mortgage Financing

We have become aware that, despite specific prohibitions in both the Banking and Insurance Laws, certain lenders continue to encourage mortgage applicants to use specific title insurance agents or agencies.

New York Banking Law Section 595-a precludes a mortgage banker or a mortgage broker from requiring a borrower to purchase title insurance from a specific title company, agency or agent as a condition for securing a mortgage commitment. Likewise, Section 2503(a)(2) of the Insurance Law imposes the same restrictions on banks, trust companies, savings banks, and loan associations and national banks.

Please be advised that we intend to expand our examination process to identify and follow up on any referrals to determine the proper enforcement action.

We urge you to fully comply with the aforementioned statutes.

Any questions regarding this letter should be addressed to Tom Barletta, Director of Legislations and Governmental Affairs at (518) 486-4300.

Very truly yours,

Richard H Neiman  
Superintendent of Banks