

CONSTRUCTION LOAN POLICIES

from Lawyers Title

Construction Loan policies of Title Insurance are really not mysterious. They are either CLTA Lender's policies or ALTA Lender's policies with, in some cases, certain additional coverages or services for which additional fees are charged. The designation of an LP10 was set up to help title companies recognize what coverages and services the lender is requesting.

The LP10 is an ALTA Lender's policy with priority insurance over mechanic's liens but without the 100 and 116 endorsements. This is accomplished by the issuance of a 101 endorsement. It includes a reissue as an ALTA Lender's policy with the 100 and 116 endorsements, after the construction is completed, a valid Notice of Completion has recorded and the appropriate lien period has expired—subject to normal underwriting requirements. At the time of the reissue, the file would be dated down and the reissued policy would have a current issue date, subject to any new matters that may have recorded since the policy was first issued. Since the initial ALTA Lender's policy includes priority coverage over mechanic's liens, the fee for the 101 endorsement would not be charged, as the endorsement would not be issued.

There may be exceptions, exclusions, and conditions to policy coverage. Coverages may not be available in all areas, or for some transactions, due to legal, regulatory, or underwriting considerations. Please contact your Lawyers Title representative for specific policy coverages.



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