

NOTICE OF AVAILABILITY OF FUTURE INCREASE IN COVERAGE

Issued by

Attached to Policy No.:

File No.:

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(Title Agency/Insurer)

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(Address)

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(Telephone Number)

A. Notice of Availability of Future Increases in Coverage

READ THIS NOTICE TO FAMILIARIZE YOURSELF WITH IMPORTANT INFORMATION REGARDING YOUR TITLE INSURANCE COVERAGE

An Owner's Policy may be endorsed to reflect the current value of the estate insured (upon payment of the current basic premium according to the schedule less the amount previously paid for said policy) if the insurer's underwriting standards are met; provided, however, that the effective date of the policy shall remain unchanged and no affirmative coverages or down dates shall be added to the policy.

PLEASE KEEP THIS TITLE INSURANCE POLICY. IT IS AN IMPORTANT LEGAL DOCUMENT. AS YOU REVIEW IT FROM TIME TO TIME, BE AWARE THAT YOU MAY INCREASE YOUR TITLE POLICY AMOUNT IF YOU ADD IMPROVEMENTS, OR IF THE VALUE OF YOUR PROPERTY INCREASES OVER TIME, BY REQUESTING AN INCREASE IN COVERAGE AND PAYING THE APPLICABLE PREMIUMS. THIS WILL NOT CHANGE THE TERMS OF THE POLICY OTHER THAN THE AMOUNT.

B. Notice of Potential Premium Discounts for Future Policies

YOUR TITLE POLICY IS AN IMPORTANT LEGAL DOCUMENT AND SHOULD BE STORED IN A SAFE, SECURE PLACE. YOUR TITLE POLICY MAY ENTITLE YOU TO VALUABLE DISCOUNTS IN THE FUTURE.

New Mexico title insurance premium rates are set every other year or approved by the New Mexico Superintendent of Insurance. These are the rates that must be charged for title insurance policies, title binders, and title policy endorsements by title insurance companies doing business in New Mexico. The Superintendent of Insurance does not regulate other title company charges.

Subject to limited exception, all premiums for title insurance policies are based on the amount of insurance coverage. Larger policies cost more than smaller policies.

In the future, there may be certain discounts from the standard owner's policy rates available to you, if your transaction meets the requirements for any particular discount. These current discounts are summarized below:

Owner Policy Discounts:

Reissue Discount. If you have an existing owner's policy of title insurance on the property when you sell your property, then a discount applies based upon the age of the prior policy and the amount of the prior policy.

Subdivider/Builder Rate. Subject to certain conditions, if you are the seller of multiple lots within the same subdivision, you are entitled to a 25% discount off the standard owner's policy rate.

Quick Resale Rate. If you purchase an owner's policy within 30 days of the issuance of a prior policy on the same property, the cost of the new policy is 30% of the standard owner's policy rate.

Loan Policy Discounts:

General Lender Policy Rate. Loan policies are generally 90% of the cost of the owner's policy, unless one of the discounts available for loan policies applies.

Simultaneous Issue Rate. If a lender title policy is issued simultaneously with the issuance of an owner's policy, the cost of the lender policy (up to the face amount of the owner's policy) is \$30.

Refinance Transactions. If you are refinancing an existing mortgage loan, a discount may apply on the new loan policy. Two discounts called the "regulatory substitution rate" and "statutory refinance rate" may apply in refinance transactions.

Second or Subsequent Mortgages. If you produce an owner's policy of title insurance, you may be entitled to a discount called the "subsequent issue" rate, on future transactions involving second or subsequent mortgages.

ON YOUR NEXT TRANSACTION, ASK YOUR ESCROW OFFICER TO CONFIRM THAT YOU HAVE RECEIVED ANY AND ALL DISCOUNTS TO WHICH YOU ARE ENTITLED UNDER NEW MEXICO'S TITLE INSURANCE LAW AND REGULATIONS.

Dated: []

By: _____
Authorized Countersignature