

This is an Emergency Amendment to 13.14.7 NMAC, Section 8, effective 1/24/2024.

13.14.7.8 LOAN POLICIES:

A. A loan policy shall be issued for the face amount of the loan or loans insured. When the land covered in the policy represents only part of the security of the loan(s), the policy shall be written in the amount of the value of such land or the amount of the loan(s) insured, whichever is less. When requested by an insured, a loan policy may be issued in an amount equal to the original principal amount of the indebtedness plus interest (capitalized or otherwise) not to exceed twenty percent of the principal amount.

B. A loan policy may insure liens on multiple tracts in the same manner as an owner's policy.

C. A title insurer or title insurance agency issuing a loan policy shall deliver the new owner's(s) NM form 9, containing all of the required information available at that time and shall ask the owner's(s) to indicate whether an owner's policy is declined. The title insurer or title insurance agency shall retain a copy of the completed NM form 9 with a copy of the loan policy for at least two years whenever an owner's policy is declined.

~~**D.** Except as otherwise provided in these rules, NM form 63 is subject to the rules, premiums and charges applicable to loan policies. An insurer or agency may issue NM form 63:~~

~~_____ (1) if the real property encumbered by the lien of the insured mortgage is one to four family residential property;~~

~~_____ (2) if the loan secured by the lien of the insured mortgage is not a construction loan or a leasehold interest; and~~

~~_____ (3) if all applicable premiums are charged for omitting the standard exceptions.~~

~~**E.** When an NM form 63 is issued, if required by these rules, or if the insurer does not consider the risk acceptable, schedule B affirmative insurance provisions may be removed or modified by including an exception in the schedule B addendum, and standard exceptions may be added.]~~

[F] D. Unless otherwise provided in these rules, a loan policy with a leasehold loan endorsement shall contain the same standard exceptions, be subject to the same premium and be subject to deletion of the same standard exceptions as a standard loan policy. A leasehold loan endorsement shall be attached to a loan policy to create a loan policy insuring a leasehold estate.

[13.14.7.8 NMAC – Rp, 13.14.7.8 NMAC, 1/1/2021; A/E, 1/24/2024]

HISTORY OF 13.14.7 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, filed 3/7/1974.

SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.

SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material. 13.14.7 NMAC, Loan, Leasehold Loan, and Construction Loan Policies, (filed 5/15/2000), was repealed and replaced by 13.14.1 NMAC, Loan Policies effective 1/1/2021.