



Ohio Revised Code

Section 3953.30 Notice comparing lender's and owner's title insurance.

Effective: April 6, 2007

Legislation: House Bill 454 - 126th General Assembly

(A) As used in this section:

(1) "Residential mortgage loan" means an obligation to pay a sum of money evidenced by a note and secured by a lien upon real property located within this state containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a residential condominium or cooperative unit.

(2) "Residential mortgage lender" means any person, including, but not limited to, banks, savings and loan associations, mortgage brokers, credit unions, or savings banks, that lends money or extends or grants credit and obtains a residential mortgage to assure payment of the debt.

(B) A title insurance agent issuing a lender's title insurance policy in conjunction with a residential mortgage loan made simultaneously with the purchase of all or part of the real property securing the loan, where no owner's title insurance policy has been requested, shall give written notice, on a form prescribed or approved by the superintendent of insurance, to the mortgagor at the time the commitment is prepared. The notice shall explain that a lender's title insurance policy is to be issued protecting the residential mortgage lender, and that the policy does not provide title insurance protection to the mortgagor as the owner of the property being purchased. The notice shall explain what an owner's title insurance policy insures against and what possible exposures exist for the mortgagor that could be insured against through the purchase of an owner's title insurance policy. The notice shall state that the mortgagor may obtain an owner's title insurance policy protecting the mortgagor as the owner of the property, either at a specified cost or at an approximate cost if the proposed coverages or amount of insurance is not then known. The title insurance agent shall maintain a copy of the notice, signed by the mortgagor, for at least ten years after the effective date of the lender's title insurance policy.
