



FROM: Virginia Underwriting
DATE: March 16, 2020
TYPE: Standard
TITLE: COVID-19 Possible Closing of the Courts to the Public

Purpose: To alert First American personnel and its agents that certain Virginia Courts may be closed to the public and establish recording protocol.

Background: Due to the outbreak of the novel coronavirus, COVID-19, and consistent with guidance issued by the Centers for Disease Control and the Virginia Department of Health, certain Virginia Courts are closing to the public. At this point, it is our understanding that most will continue to e-record, if they have that ability, and others are setting up “Drop Boxes” for hard copy recordings. At this point, no time frame has been stated regarding the length of time between dropping off recording documents and the actual recordation, nor has anything been stated regarding evidence of recordation.

Standard: If you can complete the recording process through e-recording or use of a drop box, you may continue in the normal course of business. **If one of these methods are available, you must record. E-recording is the preferred method of recordation at this time. If your office is not set up to process e-recordings, we highly recommend you add this capability immediately. In the event that a transaction is either not suitable for e-recording and the Clerk’s Office is unwilling or unable to accept e-recordings or paper recordings, in order to facilitate the orderly transfer and financing of real estate transactions in this difficult time, First American is willing to continue to insure titles for purchasers and lenders through the ultimate recording date of the deed, deed of trust or other insured title document, under the following conditions.**

1. All parties, including lenders, must acknowledge that neither First American nor its title agents can provide any estimate as to the date of recordation of such title documents in Virginia Land Records. The attached Affidavits of Understanding and Indemnity and Hold Harmless Agreement Due to the COVID-19 Emergency for Sale and Financing transactions include appropriate, written acknowledgments for execution by seller, buyer and borrower, as applicable. Satisfactory acknowledgments by lenders may be indicated through closing instructions or by email confirmation, to be retained in your file.
2. Add the following requirement in Schedule B1 of the Commitment: Execution of Affidavit of Understanding and Indemnity and Hold Harmless Agreement Due to the COVID-19 Emergency by the Parties to the Contemplated Transaction.

We understand that Courthouse closures may limit or prevent retrieval of relevant court file documents by title abstractors. In those cases, please reach out to the customer or their relevant counsel to obtain necessary copies. In instances where court file copies are not available, contact your Underwriter for guidance.

For commercial transactions, in addition to obtaining the relevant Affidavit of Understanding and lender confirmation, please make certain that any lender or customer instructions do not commit you to recording the title documents within a specified time period. Understandably, if the customer in a commercial transaction proposes revisions to the Affidavit of Understanding due to the facts in the given case (e.g., the property is subject to tenancies) we will authorize appropriate revisions.

For all transactions, continue to follow all other underwriting standards, including bringing title to date before closing. All other Requirements must be satisfied prior to, or upon, closing as in any normal case. This Standard will remain in effect for each County in which the Courts remained closed to the public.

All final title policies issued in conformity with these standards should include the following effective date: Date of Settlement or recordation, whichever is later.

All agents are encouraged to closely monitor the following Virginia Judicial System website dedicated to courthouse closures to obtain the latest information:

http://www.courts.state.va.us/news/items/covid_19.pdf

Contact: If you have any questions, please feel free to contact First American Underwriters at VAUnderwriting@firstam.com

Attachments: Affidavits of Understanding and Indemnity and Hold Harmless Agreement Due to the COVID-19 Emergency by the Parties to the Contemplated Transaction [Sale and Financing]

NOTE: This Underwriting Communication is confidential and intended solely for use by First American Title Insurance Company's ("First American") title issuing offices, policy issuing agents ("Agents"), and approved attorneys. This Communication may not be shared with third parties and no other person or entity is authorized to rely upon it. While the scope of agency for Agents is limited to the functions of underwriting and issuing title insurance policies on First American's behalf, and does not include closing or escrow services, First American sometimes provides information and recommendations with regard to Agents' ancillary closing or escrow business as a courtesy. Moreover, this Communication should be considered a directive if noncompliance could impact liability under First American's title insurance policies or closing protection letters. This Communication is being provided to Agents with those considerations in mind, and should become a permanent part of your records to assure compliance with the requirements set forth herein.

First American routinely issues Underwriting Communications through the Underwriting Workbench, AgentNet®, and other means. Communications are typically classified as one of the following types: Standard, Guideline, Advisory, Caveat, Fraud Alert, or Transaction Alert. Generally, Standards establish mandatory procedures and protocols that must be followed when issuing a First American policy; Guidelines establish best practices that are encouraged, but not required; and Advisories simply provide information. Caveats, Fraud Alerts, and Transaction Alerts generally provide information and instructions related to specific parties, properties, or other matters.

First American makes no express or implied warranty respecting the information presented and assumes no responsibility for errors or omissions. First American, the eagle logo, First American Title, and firstam.com are registered trademarks or trademarks of First American Financial Corporation and/or its affiliates. ©2019 First American Financial Corporation and/or its affiliates. All rights reserved. ▼ NYSE: FAF
