

A MEMORIAL

REQUESTING THE PUBLIC REGULATION COMMISSION TO INVESTIGATE THE PRACTICES OF THE REAL ESTATE TITLE INSURANCE INDUSTRY AND MAKE RECOMMENDATIONS TO IMPROVE CONSUMER PROTECTION, EDUCATION AND AWARENESS.

WHEREAS, the intent of the legislature in enacting the New Mexico Title Insurance Law was, in part, that the business of title insurance be totally regulated by the state to provide for the protection of consumers and purchasers of title insurance policies; and

WHEREAS, the New Mexico Title Insurance Law was enacted more than twenty years ago in 1985; and

WHEREAS, the Title Insurance Guaranty Act was enacted in 1999 by Laws 1999, Chapter 60; and

WHEREAS, Laws 1999, Chapter 60 also amended the New Mexico Title Insurance Law by limiting the duties of title insurers only to title insurers; and

WHEREAS, concern has arisen that a property owner's remedies arising from defects in title have been unreasonably limited by the 1999 amendment to Section 59A-30-11 NMSA 1978; and

WHEREAS, concern has arisen that property owners may have an inadequate understanding of the benefits to purchasers of real property of title insurance policies; and

WHEREAS, concern has arisen about requirements of some lenders that a property owner purchase a new title insurance policy when refinancing property already owned by that property owner;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the public regulation commission be requested to undertake a review of laws regarding title insurance in New Mexico and to make recommendations regarding the possible need for better protection than is currently afforded pursuant to state law to property owners by title insurance and actions that may be taken to increase the understanding and awareness of property owners regarding title insurance; and

BE IT FURTHER RESOLVED that the public regulation commission present its findings and recommendations to the appropriate interim legislative committees by October 30, 2007; and

BE IT FURTHER RESOLVED that a copy of this memorial be transmitted to the chair of the public regulation commission.