

If you plan to refinance your mortgage, according to Texas Rate Rule R-8, you may be entitled to a credit that lowers the cost of title insurance for your new loan. Learn who qualifies for the reissue credit and how it lowers your title insurance premium.

IF I QUALIFY, HOW DO I CALCULATE THE AMOUNT OF MY R-8 CREDIT?

Gather the following information and plug it into the formula below. You can collect information about your existing loan from your most current mortgage statement, and request title insurance premiums for your area and property value from your Escrow Officer.

Principal balance (*what you owe*) on existing loan: _____

Title insurance premium (*based on existing loan balance*): _____

Origination date of existing loan: ____/____/____

Credit percentage (*see below*): _____

$$\begin{array}{ccccccc}
 \$ & & & \times & & \% & = & \$ & \\
 \text{Premium based on loan balance} & & & & & \text{Credit} & & \text{Amount of R-8 credit to be applied}
 \end{array}$$

AM I ELIGIBLE FOR AN R-8 CREDIT?

To qualify for the R-8 credit:

- The new loan must fully take up, renew, extend, or satisfy the existing lien that is already insured by an existing Loan Policy;
- The existing loan must be less than eight years old;
- The new Loan Policy must be in the amount of the note of the new loan; and
- The new loan cannot cover property that was not included in the existing Loan Policy.

I'VE HAD MY LOAN FOR:	CREDIT [‡]
4 years or less	50%
More than 4 years but less than 8 years	25%
More than 8 years	None

HOW DO I CALCULATE THE NEW PREMIUM FOR MY LOAN POLICY?

Once you know the amount of your R-8 credit, deduct it from the title insurance premium associated with the amount of your new loan.

Amount of new loan: _____

Title insurance premium (*based on amount of new loan*): _____

Less reissue credit: _____

New premium amount*: _____

[‡]The premium for the new Loan Policy is the Basic Premium less the R-8 credit; but not less than the minimum Basic Rate.

*The actual premium collected at closing will be determined based on the facts provided to the title company. In addition, the above premium does not include any endorsement premiums or applicable fees. For details, contact your Escrow Officer.

