

## A QUICK GUIDE TO THE STANDARD EXCEPTIONS

All title commitments will contain these ten standard exceptions in Schedule B, Part II of the commitment. The policy or policies to be issued will contain these exceptions unless the same are disposed of to the satisfaction of the title company, in which case they will be deleted from the policy or policies issued. The requirements and costs to delete standard exceptions are as follows:

**1. Rights or claims of parties in possession not shown by the public records.**

*Owner's Policy, Loan Policy, or  
Construction Loan Policy*

*Parties in possession affidavit executed by seller and  
buyer.*

*No cost.*

**2. Easements, or claims of easements, not shown by the public records.**

*Owner's Policy, Loan Policy, or  
Construction Loan Policy*

*I.L.R. or boundary survey no more than 6 months old,  
satisfactory to the title company, showing no easements  
or claims of easements not shown in the public records.*

*No cost.*

**3. Encroachments, overlaps, conflicts in boundary lines, shortages in area, or other matters which would be disclosed by an accurate survey and inspection of the premises.**

*Owner's Policy*

*I.L.R. or boundary survey, no more than 6 months old,  
meeting the underwriter's standards.*

*Cost 15% of basic Owner's premium*

*Loan Policy or Construction  
Loan Policy*

*Same requirement as above*

*No cost.*

**4. Any lien, claim or right to a lien, for service, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.**

*Owner's Policy*

*Affidavit executed by seller and buyer affirming no  
workman supplied labor or material to the property within the last 120 days.*

*Cost \$25.00*

*If 120 day period has not passed, cost is \$3.00 per \$1,000  
of insurance.*

*Loan Policy*

*Cost \$25.00*

*Construction Loan Policy*

*No construction has taken place prior to issuance of the  
policy and the title company has inspected the real estate  
to confirm no construction (Endorsement D).*

*Cost \$25.00 plus \$75.00 inspection fee.*

*Construction has commenced prior to issuance of the  
policy (Endorsement A).*

*Cost \$5.00 per \$1,000 of insurance.*

5. **Community property, survivorship, or homestead rights, if any, of any spouse of the Insured (or vestee in a leasehold or loan policy).**

*Owner's policy, Loan Policy, or  
Construction Loan Policy*

*The owner is a corporation, partnership or other artificial  
entity, or a person holding title as a Trustee.*

*No cost.*

6. **"INTENTIONALLY OMITTED".**

Not applicable by regulation August 1, 2009

7. **~~Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof;~~ water rights, claims or title to water.**

*Owner's Policy, Loan Policy, or  
Construction Loan Policy*

***"water rights and claims or title to water"  
cannot be deleted from this exception.***

*No cost.*

8. **"INTENTIONALLY OMITTED".**

Not applicable by regulation August 1, 2009

9. **Taxes for the year \_\_\_\_\_, and thereafter. (See 13.14.5.12 NMAC)**

***this exception cannot be deleted from***

*Owner's Policy, Loan Policy, or  
Construction Loan Policy*

10. **Defects, liens, encumbrances, adverse claims or other matters, if any, created first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of records the estate or interest or mortgage thereon covered by this commitment.**

***this exception cannot be deleted from***

*Owner's Policy, Loan Policy, or  
Construction Loan Policy*