



Underwriting Roundtable and Q&A

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RCW [64.06.020](#)

Improved residential real property—Seller's duty—Format of disclosure statement—Minimum information.

- *K. Are there any covenants, conditions, or restrictions recorded against the property?
- NOTICE TO THE BUYER: Covenants or deed restrictions based on race, creed, sexual orientation, or other protected class were voided by RCW [49.60.224](#) and are unenforceable. Washington law allows for the illegal language to be struck by bringing an action in superior court or by the free recording of a restrictive covenant modification document. Many county auditor websites provide a short form with instructions on this process.



Restrictive Covenant Modification

GRANTOR(S):

1. _____
2. _____

GRANTEE: The Public

ABBREVIATED LEGAL DESCRIPTION: _____

Additional legal description is on page ____ of this document.

TAX PARCEL NUMBER: _____

REFERENCE NUMBER OF RESTRICTIVE COVENANT MODIFIED: _____

_____, Grantor(s) herein, hereby record this restrictive covenant modification document with respect to the following described real property:

[legal description, or append to document]

The property is subject to an original written instrument recorded _____ (date)
under King County Recorder's Office File Number _____.

The referenced original written instrument contains discriminatory provisions that are void and unenforceable under RCW 49.60.224 and federal law. This document strikes from the referenced original instrument all provisions that are void and unenforceable under law.



Median House Prices by County - RCW 6.13.030, Section 2

Adams \$257,900	Lewis \$364,300
Asotin \$250,800	Lincoln \$215,600
Benton \$378,200	Mason \$378,300
Chelan \$502,800	Okanogan \$309,000
Clallam \$420,600	Pacific \$303,100
Clark \$481,600	Pend Oreille \$289,400
Columbia \$256,200	Pierce \$508,300
Cowlitz \$362,100	San Juan \$887,500
Douglas \$450,000	Skagit \$499,500
Ferry \$229,200	Skamania \$400,000
Franklin \$378,200	Snohomish \$676,900
Garfield \$250,800	Spokane \$390,200
Grant \$311,700	Stevens \$289,400
Grays Harbor \$309,900	Thurston \$460,500
Island \$532,500	Wahkiakum \$393,700
Jefferson \$569,400	Walla Walla \$376,400
King \$838,300	Whatcom \$547,400
Kitsap \$497,500	Whitman \$355,900
Kittitas \$485,400	Yakima \$327,200
Klickitat \$399,100	



CERTIFICATE OF COMPLAINT FOR PUBLIC NUISANCE PROPERTY

I, the undersigned, duly appointed Division Manager of the Community Services Division, Neighborhood and Community Services Department of the City of Tacoma, Washington; do hereby declare the buildings and property, located at [REDACTED] Tacoma, Washington 98404, as a public nuisance. The buildings and property are situated on the property legally described as:



Situated in the City of Tacoma, County of Pierce, and State of Washington.

The reputed owners and persons having an interest therein as described by the Pierce County Tax Records are:



This document declares that the buildings and property, referenced above, are in violation of the City of Tacoma's Nuisance Code, Chapter 8.30 of the Tacoma Municipal Code and are a public nuisance. This document will not be removed from the title until all violations have been remedied and the referenced buildings and property comply with the Nuisance Code. Specific violations are on file with the City of Tacoma, Community Services Division, on the second floor of the Tacoma Municipal Building, 747 Market Street, Suite 250. There may be sums of money owed to the City of Tacoma for outstanding penalties or cost of municipal services. These sums may be required to be paid prior to the release of this complaint.

- Homeowner's Policy of Title Insurance, Covered Risk 18:

You are forced to remove or remedy Your existing structures, or any part of them - other than boundary walls or fences - because any portion was built without obtaining a building permit from the proper government office. The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

Future Advance Coverage (ALTA 14 series)

- *Commencement Bank v. Epic Sols. Inc.*, 2021 WL 3146568, 18 Wash.App.2d 1033 (June 21, 2021)
- Epic was beneficiary of a DOT with a future advance clause
- Commencement Bank held a 2nd DOT
- One issue was whether RCW 60.04.226 applied to the Epic loan even though it was not a construction loan

Priority of future advances – only for construction loans?

RCW 60.04.226

Financial encumbrances—Priorities.

Except as otherwise provided in RCW [60.04.061](#) or [60.04.221](#), any mortgage or deed of trust shall be prior to all liens, mortgages, deeds of trust, and other encumbrances which have not been recorded prior to the recording of the mortgage or deed of trust to the extent of all sums secured by the mortgage or deed of trust regardless of when the same are disbursed or whether the disbursements are obligatory.

[[1991 c 281 § 23.](#)]



RCW 60.04.226 states that “any” recorded deed of trust is prior to “all” later recorded deeds of trust. This unambiguous language suggests the statute applies to all deeds of trust, and not just construction loans. The statute’s title (“Financial encumbrances—Priorities”) does not suggest any limitation to construction loans. And one of the statutes linked in its text—RCW 60.04.221—specifically applies to construction loans, and does not use the broad language seen in RCW 60.04.226. Granted, the statute is in Chapter 60.04, which is titled “Mechanics’ and Materialmen’s Liens”; but under RCW 1.08.017(3), “[s]ection captions, part headings, subheadings, tables of contents, and indexes appearing in legislative bills shall not be considered any part of the law.” And while, as recognized by Pacific Continental Bank v. Soundview 90, LLC, the legislature enacted RCW 60.04.226 after encountering difficulties to construction loans imposed by the obligatory versus optional distinction embodied in the Washington Supreme Court’s ruling in National Bank of Washington, Pacific Continental Bank does not limit RCW 60.04.226’s application to construction loans. 167 Wn. App. 373, 380–81, 273 P.3d 1009 (2012). The contextual

Why does this matter? ALTA 14 series coverage

- In short, the ALTA 14 series provides coverage against claims against lack of priority of the DOT as security for a future advance
- The ALTA 14.1 differs from the ALTA 14 with the following exception:
 - e. The lack of priority of any Advance made after the Insured has Knowledge of the existence of liens, encumbrances or other matters affecting the Land intervening between Date of Policy and the Advance, as to the intervening lien, encumbrance or other matter

Fraud Scheme (Vacant or Unoccupied Land)

- The properties are vacant land or areas that you can't live in all year.
- Fraudsters email is the actual sellers name @outlook.com
- They give two phone numbers. One is an international number and the other one starts with a 416 number.
- They claim they are from the UK.
- They are targeting Canadian owners (so far).
- The emails to the agents are identical just plugging in different names and addresses.

Fraud E-Mail Example

My name is John E I called you few mns ago ,I have decided to list my property in WA USA into market

My property is a vacant land located at XXXXX Blaine, WA

I happened to buy the plot there in WA US. during my civil service days in Canada, but I am currently back my new residence here in UK

You can reach me on +447XXXXXXXXXX or +1416XXXXXXXX

Please kindly get me a valuation on my above plot as I want to sell it to raise funds for my ongoing project.

Expecting to hear from you soon, thanks.



After recording please return to:
Kevin Wallace
PO Box 17459
Seattle, WA 98127



20140616000001

WALLACE, KEVIN MISC 72.00
PAGE-001 OF 001
08/16/2014 08:17
KING COUNTY, WA

Duck
Grantor: Kevin Wallace
Grantee: The Public

Unofficial Copy

