

GEORGIA AGENCY BULLETIN**No. 2020 - 5****To: All Georgia Agents and Approved Attorneys****Re: Updated Video Conference Closings****Date: April 16, 2020****Temporary Use of Limited Powers of Attorney**

To alleviate concerns related to the coronavirus pandemic we previously implemented emergency exemptions to our underwriting guidelines applicable to insuring transaction documents notarized via audio/visual online notarization process ("AVN") that has been authorized by law and/or executive statement.

Another temporary alternative for our agents, allowing them to close residential transactions in the context of the coronavirus pandemic, social distancing and various stay-at-home orders, is the use of Limited Powers of Attorney.

In response to the COVID-19 outbreak Fannie Mae and Freddie Mac announced certain temporary flexibilities in their lender seller guidelines which permit expanded use of a Limited Power of Attorney ("LPOA") appointing the policy-issuing agent to act as attorney in fact ("AIF") for a buyer/borrower ("Borrower") in certain no-cash-out refinance, purchase and limited cash-out refinance transactions. See:

Fannie Mae <https://singlefamily.fanniemae.com/media/22316/display>

Freddie Mac https://guide.freddiemac.com/ci/okcsFattach/get/1003772__7

In order for an agent to issue a policy relative to a transaction utilizing an LPOA, a two part process must be completed: First, one or more Borrower must execute and deliver to the policy-issuing agent a CTIC/CLTIC approved LPOA allowing said agent to act as AIF for the Borrower (also "principal"). Second, the closing agent will conduct an audio-visual closing during which the Borrower will witness the AIF's review and execution of the documents. **LPOA closings will be for policy amounts up to \$1,000,000**, subject to the requirements below.

Underwriting criteria for use of LPOA.

1. Only a policy-issuing agent (or full-time employee of a policy-issuing agent) may act as AIF for a Borrower.¹ No independent mobile notaries or other non-employees are allowed to act as AIF.
2. An agent may only act as an AIF under the [CTIC/CLTIC approved form of Limited Power of Attorney \(LPOA\)](#) for the state in which the insured land is located.
3. No amendments or alterations to the LPOA form may be made without written approval of your CTIC/CLTIC underwriter.

¹ In locations where the policy-issuing agent does act as the closing agent, it is acceptable for the AIF to participate in the recorded closing session so that he/she may perform the required validations and confirmations set forth in Section 6 below.

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4. The original fully executed and notarized LPOA must be received and in the possession of the AIF prior to the online closing session during which the AIF will execute the documents. The LPOA must be witnessed and notarized in accordance with Georgia law which will enable the LPOA to be recorded.
5. The AIF must confirm that the LPOA was properly executed.
6. The approved LPOA form is a non-durable power of attorney, that is, the AIF does not have the power to act for the principal after the principal becomes incompetent or incapacitated. Additionally, all powers of attorney are terminated upon the death of the principal. Therefore, during the online closing session the AIF must confirm:
 - a. That the principal is actually in attendance during the online closing session (he is she is alive). This includes confirming the identity of each LPOA principal by at least TWO methods:
 - i. Driver's License or other government-issued identification shown to the camera both front and back; and
 - ii. At least one of the following options:
 1. AIF can text a random 6-digit number (www.numbergenerator.org) to a known safe phone number; LPOA principal to repeat number back during the video conference. A safe phone number is one that has been confirmed prior to closing other than by email. Note the file with the 6-digit number and phone number texted; or
 2. AIF can ask the LPOA principal a question during the video conference gleaned from personal data contained in the loan file that only the LPOA principal would know; or
 3. In a refinance transaction, LPOA principal can display a copy of a utility bill dated within the last 30 days for the party's known address in the name of the principal; or
 4. Use of a third-party identity verification service, with evidence of same retained in the file.
 - b. That the principal appears lucid and mentally competent during the closing session.
 - c. The AIF must specifically require the principal to verbally state as described in the online closing session instructions:
 - i. He/she knowingly and freely executed by the LPOA;
 - ii. The LPOA continues to be in full force and effect and that the principal has not revoked or terminated the LPOA;
 - iii. That the principal understands and agree to all the terms in the mortgage or deed of trust and other documents to be signed by the AIF;
 - iv. That the principal expressly authorizes the AIF to execute the reviewed documents on the principal's behalf.
7. Multiple principals:

Spouses who request to use the LPOA process may both sign a single LPOA. In that case, each spouse must be named as a principal in the body of the LPOA, each must sign the LPOA and have their signatures witnessed and notarized. If there is more than one vested owner requesting to use the LPOA process, and the requesting parties are not married to each other, separate LPOAs must be executed and notarized. The LPOA parties must also reside in the subject property. If there are more than two vested owners of the subject property, the LPOA process may not be used.
8. Agent must have written lender's approval to use a LPOA process.
9. The Lender must specify in their written closing instructions that a LPOA is to be used for their Borrower.

10. The AIF must conduct or attend a recorded video closing call with the Borrower during which:
 - a. All transaction documents to be executed by the AIF are reviewed and explained to the LPOA principal; and
 - b. The AIF confirms and the principal verbally acknowledges to the AIF all the matters listed in Paragraph 6, above.

The video closing session should be conducted over a video conferencing platform that is considered secure for the exchange of non-public information. Please see the [recommended Best Practices](#):

11. AIF must record and preserve the uninterrupted audio and video sessions for a minimum of 7 years, or any longer period as may be required by the lender.
12. Loan Application Date must be on or before May 17, 2020.
13. Refi (no cash out) and Purchase transactions are eligible.
14. A Closing Protection Letter will be required for any transaction utilizing an LPOA.
15. For all transactions, the LPOA(s) must be recorded prior to or with the insured instrument(s).