

**TITLE 2: NATURAL RESOURCES**  
**DIVISION 4: LAND RESOURCES**

**§ 4465. Title Assurance.**

(a) Promptly upon the enactment of this chapter, MIHA shall contact insurance agents and brokers within and without the Commonwealth, title insurance companies, attorneys, and others who may be interested in providing title assurance in the Commonwealth, inform them that a program of federally-insured mortgages is contemplated, and solicit their participation in such programs.

(b) The director of commerce and labor may, if he or she finds it necessary, promulgate regulations to assure the integrity and performance of any person providing title insurance in the Commonwealth, and such regulations may differ from those applicable to other forms of insurance. Such regulations shall not apply to the practice of law in the Commonwealth nor to the program described in subsection (c) of this section.

(c)(1) Not later than 90 days after April 9, 1986, if MIHA finds that no qualified person, or that an insufficient number of such persons, is willing to offer title assurance in the Commonwealth, MIHA shall establish its own program of title assurance.

(2) Such program shall be developed after consultation with local mortgage lenders, any federal mortgage insurer interested in insuring mortgages in the Commonwealth, and the Attorney General, and shall be designed to induce such mortgages and any such insurer to accept and insure mortgages on residential housing. MIHA shall provide title assurance under the program to such mortgagee and, if required after foreclosure, to the federal mortgage insurer, in any acceptable form. MIHA may also provide title assurance to the mortgagor.

(3) MIHA shall charge reasonable fees in connection with title assurance provided under this subsection. Such fees should approximate fees normally charged by private title assurers under similar circumstances in order that private persons not be discouraged from entering the market.

(4) MIHA may decline to provide title assurance in connection with any application for a federally insured mortgage if it determines that it cannot formulate a reasonably certain opinion regarding the status of the title to an interest in the real property to be mortgaged, or that exceptions required to be taken under the circumstances would not fall within any guidelines provided by the lender or federal mortgage insurer.

(5) MIHA may, at its discretion, provide title assurance in connection with transfers of title to interests in real property under circumstances not involving a federally-insured mortgage.

(6) MIHA shall not provide title assurance under this subsection to the extent that such assurance is available from private sources. MIHA shall cease offering new title assurance when it finds that private providers are willing and able to meet the overall needs of the market. In such case, MIHA may seek to transfer its liability, under assurances it has already provided and with the consent of any mortgagee that has relied on its title assurance, to any qualified private provider and may pay fair consideration in connection with such transfer. MIHA shall resume providing title assurance whenever it finds that

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private providers are no longer willing or able to meet the overall needs of the market.

(7)(A) Any title assurance provided by MIHA under this subsection shall reserve the right to transfer liability pursuant to subsection (6) of this subsection.

(B) Any title assurance provided by MIHA under this subsection shall provide that the liability of MIHA shall terminate if a Torrens system of land registration is established in the Commonwealth, if the mortgaged interest in real property is entered in such system, and if a copy of a certificate of title to such interest in real property substantially equivalent to the assurance provided by MIHA is provided to the assured person.

**Source:** PL 5-8, § 5.

**Commission Comment:** With respect to the references to “MIHA,” see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001; see also the comment to 2 CMC § 4411.