

# MD Foreclosure Indemnity Agreement

## INDEMNITY AGREEMENT

This **INDEMNITY AGREEMENT** (hereinafter "Agreement") made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_[SERVICER] hereinafter "Indemnitor"), and Stewart Title Guaranty Company (Title Insurer, hereinafter "Company").

### WITNESSETH:

WHEREAS, Company has been asked to issue its commitment, title insurance policy or policies (collectively hereinafter "Policy") insuring against loss or damage to the named insured or insureds under the Policy (collectively hereinafter "Insured") by reason of defects, liens or encumbrances in the title to property described as follows (hereinafter "Property"):

WHEREAS, Company is aware of general allegations or concerns regarding the processes or procedures utilized by or on behalf of Indemnitor which could lead to potential claims of damages, challenges to title to the Property being other than as insured in the Policy or challenges to the priority of the lien insured under the Policy (hereinafter "Title Matter") as set forth below:

A claim by the former owner or other person(s) with a current or past interest in the Property challenging the validity of or right to conduct the underlying foreclosure sale and/or determination by a court of competent jurisdiction that the underlying foreclosure action in the chain of title to the Property is invalid by reason of the submission of incompetent or erroneous affidavit testimony or documentation prepared in connection with the underlying foreclosure action and related proceedings.

WHEREAS, Indemnitor has reviewed all documentation, procedures, and/or notices related to the foreclosure of the Property and related proceedings and represents that the same comply with applicable state, federal and local law and practice:

WHEREAS, Indemnitor desires that Company issue its Policy without exception to or providing affirmative coverage for the Title Matter; and

WHEREAS, Company is willing to issue its Policy without exception to or providing affirmative coverage for the Title Matter only if indemnified as herein set forth.

NOW, THEREFORE, for and in consideration of the issuance of said Policy and other good and valuable consideration, the receipt of which is hereby acknowledged, Indemnitor does hereby agree

with Company as follows:

1. Indemnitor agrees to defend Company, at Indemnitor's own cost and expense on behalf of and for the protection of Company (but without prejudice to the right of Company to defend at the expense of Indemnitor if Company so elects), any and every suit, action or proceeding in which the Title Matter is asserted, established or enforced in, to, upon, against or in respect to the Property, or any part thereof, or interest therein ("Action").

2. Indemnitor agrees to indemnify and hold Company harmless of and from any and all liability, loss, costs, damage and expense of every kind, which Company shall incur or become liable for as a result of the Title Matter, directly or indirectly, including but not limited to costs, attorneys' fees and expenses incurred by Company, diminution in value, unmarketability of title, displacement of lien priority, failure of title and actions to enforce this Agreement.

3. Company will notify Indemnitor in the event Company receives written notice of a Title Matter or Action and failure to do so will relieve Indemnitor of its obligations to the extent Indemnitor establishes that it has been prejudiced by such failure. Indemnitor will cooperate with Company, at Indemnitor's expense, in the defense or settlement of the Title Matter or Action.

4. Each and every provision of this Agreement shall extend to and be in force concerning any and every other Policy Company may at any time or times hereafter issue insuring without exception to and providing affirmative coverage for the Title Matter subject to the applicable limitations period set forth in paragraph 8 below.

5. Without waiving any other rights and remedies it may have under the Policy or otherwise, Company agrees that its sole and exclusive remedy for a Title Matter is with the Indemnitor pursuant to this Agreement and Company specifically waives any rights of subrogation or remedy for breach of warranty against the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation arising from a Title Matter.

6. This Agreement contains the entire agreement of the parties concerning the subject matter thereof and there are no representations, inducements, or other provisions other than those expressed here in writing. All changes, additions or deletions hereto must be in writing and signed by all parties.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_. It is made to induce the issuance of a Policy relating to the purchase of and/or an acceptance of a security interest in the Property described herein. Indemnitor acknowledges that Company is relying upon the representations and indemnifications contained herein in issuance of said Policy. The provisions of this Agreement shall survive the disbursement of funds and closing of the transaction wherein the Policy is issued and shall be binding upon Indemnitor, its/their successors and/or assigns.

8. Company and Indemnitor agree that this Agreement will automatically expire upon the final judgment of a court of competent jurisdiction that the underlying foreclosure action is valid and enforceable or a cloud on title created by the underlying foreclosure action is otherwise removed.

By: \_\_\_\_\_

\_\_\_\_\_ (office)

State of \_\_\_\_\_:

County of \_\_\_\_\_ :

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the under-signed officer, personally appeared \_\_\_\_\_ [name(s) of person(s) who made acknowledgment on behalf of the corporation], a corporation, and that he/she/they, as such \_\_\_\_\_ [title of corporate officer or other description of legal capacity], being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself /herself/themselves as \_\_\_\_\_ [title of corporate officer or other description of legal capacity].

In witness whereof I hereunto set my hand and official seal.

\_\_\_\_\_  
[Signature of notary public]

\_\_\_\_\_  
[Name of notary public typewritten or printed]

Notary Public  
My commission expires \_\_\_\_\_

No guidelines are available for this form at this time.