

PENN ATTORNEYS

TITLE ALERT

DATE: 1/2/07

RE: Title Alert 2007-01

HUD-1's Required

Closing Protection Letters and Indemnity Letters Drive Need for HUD-1's

Not a day goes by without a lender requesting a Closing Protection Letter (commonly known as a "CPL") or a Title Agent or lender requesting an Indemnity concerning a title defect. Every time we issue a CPL or Letter of Indemnity, PATIC assumes liability for the acts, or the lack of action, of its Approved Attorney.

Penn Attorneys depends on the cooperation of its Approved Attorneys in providing supplemental information when the lender requires more. However, there is an increasing need for "instant" information and knowledge of how matters—including: lien payoffs, title insurance and other fees, and compliance with instructions—were handled at the closing by an Approved Attorney.

Therefore, please be advised that Penn Attorneys has determined it necessary to require a copy of the HUD-1 form used in all transactions.

Please submit a copy of the HUD-1 settlement statement with your final report.

Additional information may be requested on a case-by-case basis.

For any questions or concerns, contact your servicing Penn Attorneys office.

Penn Attorneys Title Insurance Co.

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