

PENN ATTORNEYS

TITLE ALERT

DATE: 2/27/07

RE: 2007-07 Supplement to 2006-23—Mechanics' Lien Changes

In Penn Attorney's Title Alert 2006-23 issued on 12/29/06, entitled, "**Mechanics' Lien Changes**", we set forth our underwriting practices for the new Mechanics' Lien Law that took effect on 1/1/07. Based on our experience over the past two months, please note the following change:

Where the mortgage we are being asked to insure is either a purchase money mortgage or an open-end mortgage where the funds are being used to finance construction:

- Instead of listing the mechanics' lien exception as a Schedule B subordinate item, **we will no longer place the mechanics' lien exception on the Loan Policy.**
- **We will continue placing the mechanics' lien exception on the Owner's Policy.**

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