

PENN ATTORNEYS

TITLE ALERT

DATE: 4/3/07

RE: Title Alert 2007-15

Show Us The Money: Good Funds

The sub-prime lending market's rapid downturn over the last few months has reemphasized the need for good funds in EVERY transaction. If we take the following precautions, we will help insulate ourselves from the potential problems that may arise from a lender's failure to fund loans.

DO NOT DISBURSE ANY FUNDS IN ANY TRANSACTION UNLESS YOU HAVE THE GOOD FUNDS IN YOUR ACCOUNT. Not even just this once. Not even for your best customer. Not even if the realtor, mortgage broker, next door neighbor, or borrower's brother's wife's father would like his check yesterday! NOT WITHOUT GOOD FUNDS!

Having good funds means that you have confirmed with your bank that a wire has been transferred into your account and that the wire cannot be recalled, or that you have received a cashier's or certified check. Having good funds does NOT mean that you have received a funding number from the lender. Having good funds does NOT mean that the lender told you the money was wired, even with a Federal Reserve reference number.

WHAT IF YOU DO NOT RECEIVE GOOD FUNDS?

- On SALE transactions, do NOT release funds to any party or return the closing package to the lender without good funds.
- On REFINANCE transactions, follow the lender's closing instructions with respect to returning the closing package prior to funding. Where the lender fails to fund the loan as appropriate (by the end of the first business day after the expiration of the 3-day right of rescission), please follow these steps:
 1. Complete the attached letter, which recalls the closing package;
 2. Fax to the lender (at headquarters and location to which package was sent); and
 3. Overnight or send via certified mail return, receipt requested, a copy to the lender and a copy to the borrower(s).

As always, please contact your servicing Penn Attorneys office with any questions.

Penn Attorneys Title Insurance Co.

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**ATTORNEY/FIRM NAME
ADDRESS**

DATE

**LENDER NAME
HEADQUARTERS ADDRESS**

**LENDER NAME
ADDRESS TO WHICH PACKAGE WAS SENT (if different)**

**BORROWER NAME
ADDRESS**

RE: Property:
Loan No.:

Ladies and Gentlemen:

On ***Insert Date, Insert Borrower(s)' Name(s)*** (the "Borrower(s)") executed documents in conjunction with a refinance transaction with ***Insert Lender Name*** (""). Pursuant to ***Insert Lender Name's*** Loan Closing Instructions and as a funding condition, ***Insert Attorney Name*** returned the executed closing documents to ***Insert Lender Name's Insert City*** location ***within Insert Number of Hours*** hours of signing, which included a (marked-up) title insurance commitment and an original Note ("Loan Package"). This loan was scheduled to fund on ***Insert Funding Date***, but the funds were never received.

Our company demands that ***Insert Lender Name*** immediately return the Loan Package to this office and we will continue to hold the executed closing package until we receive confirmation from both ***Insert Lender Name*** and the Borrowers regarding the outcome of this transaction. If for any reason ***Insert Lender Name*** cannot or will not return the Loan Package, please advise this office immediately.

Yours truly,