

PENN ATTORNEYS

TITLE ALERT

DATE: 08/13/09

RE: Title Alert 2009-12

Taylor, Bean & Whitaker and Colonial Bank

According to Ocala.com, (the online version of the Ocala Business Journal) a Press Release has been issued on August 5, 2009 with respect to (only) **Taylor, Bean, & Whitaker** (who also operates an affiliate lending operation under the name of Option One Mortgage). The Press Release appears below followed by further instructions from Penn Attorneys:

TAYLOR BEAN & WHITAKER MUST CEASE ALL ORIGATION OPERATIONS EFFECTIVE IMMEDIATELY

OCALA, FLORIDA – TAYLOR, BEAN & WHITAKER MORTGAGE CORP. (“TBW”) RECEIVED NOTIFICATION ON AUGUST 4, 2009 FROM THE U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FREDDIE MAC AND GINNIE MAE (THE “AGENCIES”) THAT IT WAS BEING TERMINATED AND/OR SUSPENDED AS AN APPROVED SELLER AND/OR SERVICER FOR EACH OF THOSE RESPECTIVE FEDERAL AGENCIES. TBW HAS UNSUCCESSFULLY SOUGHT TO HAVE THE TERMINATION/SUSPENSION DECISIONS OF EACH OF THOSE AGENCIES REVERSED. AS A RESULT OF THESE ACTIONS, TBW MUST CEASE ALL ORIGATION OPERATIONS EFFECTIVE IMMEDIATELY. REGRETTABLY, TBW WILL NOT BE ABLE TO CLOSE OR FUND ANY MORTGAGE LOANS CURRENTLY PENDING IN ITS PIPELINE. TBW IS COOPERATING WITH EACH OF THE AGENCIES WITH RESPECT TO ITS SERVICING OPERATIONS AND EXPECTS TO CONTINUE TO SERVICE MORTGAGE LOANS AS IT RESTRUCTURES ITS BUSINESS IN THE WAKE OF THESE EVENTS. WE UNDERSTAND THAT THIS COULD HAVE A SIGNIFICANT IMPACT ON OUR VALUED EMPLOYEES, CUSTOMERS AND COUNTERPARTIES, AND ARE VERY DISAPPOINTED THAT A LESS DRASTIC OPTION IS UNAVAILABLE.

If you are in the process of, or are asked to close loans originated by Taylor Bean or Option One you may proceed only if the transaction has **already been funded** and such funds have **finally credited** to the escrow account, preferably by wire and **all other conditions of closing** have been met.

Title Alerts from 1997 to present are available on our website at: <http://www.pennattorneys.com>

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As with any lender, we urge our approved attorneys not to release any negotiable promissory note, other documents, or checks before receiving good funds and clearance of all closing conditions.

If you have received signed closing documents and are awaiting funding of a Taylor, Bean loan after the expiration of the **3 day rescission period**, it may make sense to wait out the three day period and, once it becomes clear that funds will not be received, to shred the original documents after making exact copies for the file and preserving them in the file pending any further investigations.

If you are waiting for funding by a loan broker where you believe the investor is Taylor, Bean it may be a good idea to seek further written instructions from that broker in anticipation of other arrangements or sources of funds by the broker.

(*) We have no further information concerning **Colonial Bank** at this time. With respect to that lender, please be reminded to obtain good funds, finally credited to the escrow account, clearance of all closing conditions and retention of all documents, including any signed promissory note, before closing and disbursing any funds or documents.

As more information becomes available, further updates or revisions may be forthcoming.

As always, if you have questions, please do not hesitate to contact us.

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