

PENN ATTORNEYS

TITLE ALERT

DATE: 08/24/09

RE: Title Alert 2009-15 HONA 270 – Taylor, Bean & Whitaker Mortgage Corporation

Please see the below First American Home Office Underwriting Bulletin authored by Home Office's K. Gene Aalseth, Associate Senior Underwriter. If you have any questions, please contact us.

Purpose

This bulletin will outline procedures for dealing with loan originations and loan payoffs on Taylor, Bean and Whitaker ("TBW") loans.

Loan Originations

TBW issued a press release August 5, 2009 that announced that it was ceasing loan origination operations effective immediately. Consequently, no loan for which TBW was the originator should be closed unless you have been assured that the loan funds delivered by TBW have been fully and finally credited to your bank account.

Loan Payoffs

There is still considerable confusion as to who is or will be servicing various TBW loans. TBW has posted on its website a notice to home mortgage customers indicating that TBW is no longer servicing Ginnie Mae and Freddie Mac Loans and indicating who the new servicers are. The Ginnie Mae and HUD websites also have information regarding TBW loans. A recap of that information on the TBW website is set forth below:

1. Ginnie Mae Loans

Bank of America is servicing TBW's Ginnie Mae loans. Bank of America can be reached at 1-800-669-6607. TBW's website indicates that payments should be sent to Bank of America Home Loans, LP, Payment Processing, P.O. Box 10334, Van Nuys, CA 91410-0334. However, a representative of Bank of America indicated that payoffs will be handled by the BAC Home Loans Servicing LP, TX2-977-1-17, Fort Worth, TX 76137-2733 (Fax: 805-520-5019) but indicated that it would take at least two weeks for the TBW files to be loaded into Bank of America's servicing system.

2. Freddie Mac Loans

Several servicers are servicing TBW's Freddie Mac Loans. If the loan is current it will be serviced by Cenlar, FSB who can be reached at 1-866-430-9689. When Cenlar's number was called on August 18, an automated phone system advised that Cenlar has not yet received the TBW loan information, but will be issuing a letters to borrowers shortly. Payments are to be made to P.O. Box 11733, Newark, NJ 07101-4733 and written communications can be sent to P.O. Box 211091, Eagen, MN 55121.

If the loan is not current, the servicer will be either OCWEN Financial Corporation who can be reached at 1-800-746-2936 or Saxon Mortgage Services, Inc. who can be reached at 1-888-422-6451. According to OCWEN's automated phone system on August 18, you

will need to provide a customer authorization to receive information. The customer can either call OCWEN to provide the authorization verbally, or the authorization can be faxed to OCWEN at 1-407-737-6300. The OCWEN message did not mention TBW loans in particular. As of August 18 the Saxon automated phone system will repeatedly ask for either a loan number or social security number and will finally transfer you to a representative. A Saxon representative indicated that before a demand can be requested an authorization request will need to be faxed to the Customer Service Department at 1-817-665-7970. The authorization request will need to contain the following information: Property address, name on the account, TBW loan number, social security number, statement that the party is giving First American authorization to request a demand and signature of the customer. Once the authorization has been received a payoff demand can be ordered from P.O. Box 161489, Fort Worth TX 76161, Attention: Payoff Department.

3. All other Loans

TBW has directed all other Home Mortgage Customers to mail their payments to Taylor, Bean & Whitaker Mortgage Corp., Attn: Cashiering, 1417 N. Magnolia Ave., Ocala, FL 34475. TBW can be reached at 1-888-225-2164 or 1-800-530-2602. The automated system indicated the address for payoffs could be found on the website. The website gives the above address as the address for payoffs in the FAQs/Contact Information. TBW's website is: <http://www.taylorbean.com/>

If you have a transaction that must close before a payoff demand can be received from the new servicer you may do so provided you have taken the following steps:

1. Determined the current principal balance, date to which the loan is paid and per diem interest.
2. Determined if the loan has a prepayment penalty. This may be done by looking at a previous demand from TBW or by reviewing the Regulation Z form given to the borrower at the time the TBW loan was made.
3. Received instructions from the seller to hold from the seller's proceeds two months additional interest to cover the gap between your closing and the actual payoff date. Remember that interest on FHA loans is paid to the end of the month.
4. Obtained approval of your local underwriter or management to close the transaction and hold funds.

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