

CHICAGO TITLE INSURANCE COMPANY

5775-C Peachtree Dunwoody Road, Suite 200, Atlanta, GA 30342 (404) 303-6300 Fax: (404) 303-6305



MEMORANDUM

TO: GEORGIA AGENTS

DATE: March 2, 2001

FROM: Theodore W. Morris, Jr.

SUBJECT: Limited Residential Title Examinations

In order to assist you in responding to your customers' demands for quicker closing turnaround time and to help reduce your costs, we have revised our guidelines for the title search on qualified residential property.

You are authorized to issue owners and loan policies, including the ALTA Short Form Loan Policy and the Castle Enhanced Homeowners Policy (Short Form Homeowners) after having conducted a limited title search in accordance with the following guidelines as if you had performed your customary title examination.

Your title examination can begin with the deed into the last record owner, if the property has an existing or newly constructed residence, **and**

1. You are provided with an owners title policy issued by a title company licensed to do business in Georgia insuring the last owner of record; **or**
2. There is an existing purchase money first mortgage, which does not indicate that it is subject to any other mortgage, from the last record owner to a *financial institution* (one that routinely makes loans secured by real estate and obtains lenders title insurance); **or**
3. There is an existing non-purchase money first mortgage, which does not indicate that it is subject to any other mortgage and is not a Home Equity or Revolving Credit Mortgage, from the current owner to a financial institution.

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TO: All Georgia Agents
FROM: Underwriting Department
DATE: April 23, 2001
RE: **UNDERWRITING BULLETIN**

On March 1, 2001, we sent a memorandum to all of our Georgia agents outlining our policy with regard to limited residential title examinations. Based upon some of the responses we have received, it appears that there exists some confusion regarding our position.

It is our belief that while a title policy is of tremendous value to owners, lenders and others having an interest in real property, it is most valuable when issued after a complete and thorough examination of the title conducted by an experienced attorney. We hope that this will continue to be the basis upon which most of our policies are issued.

However, some lenders have been willing to accept and some underwriters have been issuing their policies based upon limited searches.

While we are unable to dictate how lenders and other underwriters choose to operate their business, we are able to take steps to insure that our agents are not put at a competitive disadvantage.

The ability to perform a limited examination as outlined in the March 1, 2001 memo is an option that we offer, not an obligation we impose. The decision of whether or not to perform a limited examination is to be made by each agent based upon the dictates of their practice, their personal views and their need to be competitive.

If you have any questions, please do not hesitate to call, write or e-mail us and we will do our best to answer them.