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MEMORANDUM Ref #2010-9.7.

TO : ALL AGENTS

FROM: Board of Directors

DATE: 9/7/2010

RE: POLICY REGARDING INSURING FREE AND CLEAR
PROPERTIES

In light of the increasing risk of fraud in our industry and in order to provide the greatest protection to both our agents and us, as an underwriter, we need to implement the following policy concerning properties that appear to be free and clear of all mortgages:

**FOR THE AGENTS FOR WHOM KELTIG PERFORMS THE
SEARCH AND ISSUES THE COMMITMENT:**

We will continue to send the same examiner documents along with the commitment. Plus, we will send a copy of the last satisfaction of record. A requirement for proof of the validity of the satisfaction will be placed on the commitment. It will be the responsibility of the agents to verify the validity of the satisfaction and send proof thereof to Doug @ dzimmerman@keltig.com. He will then review the submitted information send authorization that the transaction can proceed. If verification cannot be obtained, the agent needs to get the HUD and ledger from the Title Company or attorney who performed the prior transaction, showing the mortgage being paid, or obtain the satisfied mortgage from the borrower, who should have received it from the lender.

**FOR THE AGENTS FOR WHOM KELTIG DOES NOT PERFORM
THE SEARCH AND DOES NOT ISSUE THE COMMITMENT:**

When your search shows the property to be free and clear, provide a copy of your commitment which contains a provision for the validity of the last satisfaction of record. Proof of validity of the satisfaction should be sent to Doug @ dzimmerman@keltig.com. He will then review the submitted information and send authorization that the transaction can proceed. If verification cannot be obtained, the agent needs to get the HUD and ledger from the Title Company or attorney doing the prior transaction showing the mortgage being paid, or obtain the satisfied mortgage from the borrower, who should have received it from the lender.

This policy will not apply to properties obtained through foreclosure with a certificate of title.