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MEMORANDUM Ref #2008-7.17

TO : All Approved Issuing Agents

FROM: Craig R. Lynd, KELTIG General Counsel

DATE: July 17, 2008

RE : Informational Updates

First: KELTIG has increased the self-imposed liability cap limit from \$1 million to \$1.1 million. Therefore, those deals just over a million that were being rejected before are now viable closing options for our agents.

Second: As a reminder KELTIG wants all agents to understand that it is an absolute requirement that any title insurance exceeding \$500k is approved by KELTIG in writing in advance of the closing of that particular transaction. Violation of this policy can result in termination.

Third: KELTIG, as a company, has elected to decline to insure closings where we are asked to insure the first owner after a foreclosure sale. For example if a bidder prevails at the auction of a foreclosed parcel and then asks for an owner's policy he or she will need to look elsewhere for insurance. If a subsequent purchaser takes title via warranty deed then that transaction can be insured, if you have any questions regarding this policy please contact Craig R. Lynd for clarification. The intent of this policy is to keep KELTIG from insuring that a foreclosure proceeding is without defect or challenges. The intensity and scrutiny that will be placed on foreclosure proceedings should increase significantly with the explosion of foreclosures occurring in this state and we would prefer to minimize the exposure our agents and the company takes in this area.

Fourth: Annual reviews will begin to occur very shortly. Major items that we will be looking for include (a) reconciled escrow account must be reported to KELTIG monthly (b) utilization of the previously provided re-issue rate disclosure form (c) drag time between closings and recordings and (d) drag time from recording to policy issuance (e) jacket audit and (f) proper HUD disclosures.

For a list of all company memoranda please visit the agents' portion of our website at www.keltig.com.