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OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Open Email to Agents

■ *Email Submitted to Scott Pierce, Senior Vice President*

(NOTE: This originated as an email from an ORT Agent in Jacksonville. Names have been changed to protect the guilty!)

All, I had a conversation a couple of weeks ago with another corporate Title Agent whom I have known for some years. He called just to catch up and to ask a question or two. It was a "kind of social, kind of business" call. During the course of our conversation he asked me who our underwriter was. I, as always, enthusiastically told him that we underwrote with Old Republic. He asked then who our back-up underwriter was. I, again enthusiastically, told him that we had no back up underwriter, nor did we see the need for one. He related to me that he had originally done business with Old Republic, but had recently signed on with **BBBBB** Group (they are a division of **YYYYYY** Title). I told him that he should go back to using Old Republic for two reasons – first, they have made significant improvements with their process, and turn-around time should not be an issue now. My second reason is the reason I always give to anybody who asks – they don't compete with their agents.

Unlike other underwriters, Old Republic has no direct

closing operations and they do not compete with their agents for the same business. Some Underwriters, actually almost all of them, are in the business of putting us out of business and agents who underwrite with them are financing and supporting that process. These agents refuse to consider the ACTUAL cost of doing business with a competing underwriter. They don't realize the danger of providing your competitor with your list of business, which is essentially what we do every time we remit policies or submit to a file audit. They don't examine the possibilities of lost business and

lost businesses. Make no mistake – we corporate agents are targets for the **XXXXXX**'s, **YYYYYY**'s and **ZZZZZZ**'s of the world. They either want to buy us or shut us out of the marketplace altogether.

I related all of this to my friend, and he listened with

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When Selling Holy Ground is Not So Holy

■ *Jeanne F. Murphy, Underwriting Counsel*

Frequently, we are asked about the proper procedure for conveying church property. Of course, there is no single answer and the correct procedure will depend on how title was taken, the form of church government (i.e. representative or congregational), and whether the church is incorporated or unincorporated. A conveyance from an incorporated church should be handled like a conveyance from any other not-for-profit corporation, provided the church was incorporated when it acquired title to the property.

A conveyance to a Catholic Church will generally be in the name of

the bishop of the diocese and his successors and assigns. Florida common law and case law give the Catholic bishop of a diocese the status of “corporate sole,” which means he has legal capacity and advantages which, as a natural person, he would not otherwise have. Accordingly, a Catholic bishop is authorized to take and convey title to property located in the territory of his diocese. If you are handling a closing where a bishop is conveying church property, you should obtain and record an affidavit from a church official confirming that the property is located within the diocese. Also, if the name of the bishop conveying out is different from the one who took title, the affidavit should include an explanation for the change in bishops.

When title to the property to be conveyed or mortgaged is held by the trustees of an unincorporated church, you must determine whether the form of church government is representative or congregational. A representative type of church is governed by an ecclesiastical judicatory. Property owned by such a church is really owned by the denomination, not the individual church, so any conveyance must comply with church rules governing the ownership and sale of property. Examples of denominations with representative types of government are Episcopal, Lutheran, Methodist, Pentecostal and Presbyterian. When trustees of a representative type of church convey or mortgage property, the

procedures set forth in the church by-laws or other church rules relating to the sale and encumbrance of church property must be followed. Additionally, certified copies of the church by-laws or rules should be recorded in the official records, together with proof that the procedures were followed.

A congregational type of government means that the church is independent, in that it is not governed by a parent church or an ecclesiastical judicatory, so it is not bound by church rules governing the ownership and sale of church property. Examples of congregational types of churches are Baptist, Disciples of Christ and Congregational denominations. Prior to May 21, 1986, the trustees of a congregational type of church could not convey or mortgage church property without a court order unless the deed into the trustees specifically granted them appropriate powers. Florida Statute 692.101, effective May 21, 1986, gives trustees of unincorporated independent churches the power to convey and mortgage real property transferred to them by deed or other instrument, whether the deed to them was executed before or after the effective date of the act. Specifically, the statute confirmed the validity of all deeds and mortgages executed by the trustees of unincorporated churches before the state’s effective date, if they were not contested in a suit commenced within two (2) years after May 21, 1986.

Continued on page 3 —

When Selling Holy Ground is Not So Holy *continued from page 2—*

In a new transaction, any deed or mortgage executed by trustees of an unincorporated congregational church should have attached to it an affidavit from the pastor, secretary or other administrator authorized by the church, stating the names of the trustees of the church as of the date of the affidavit. Under Florida Statutes 692.101, the affidavit is conclusive as to the facts set forth therein as to purchasers and mortgagees without notice.

Section 692.101 does not apply to conveyances to unincorporated churches by name, as opposed to the trustees or named trustees. When this occurs, title is vested in the congregation as a whole. If you encounter a deed directly into an unincorporated congregational church, prior to conveying out, a court order must be obtained and recorded determining who in the church has the authority to convey or encumber the real property. The statute also does not apply to a conveyance to a named pastor of an unincorporated church, unless the governing rules of the church confirm that the pastor is, in fact, the only trustee of the church. If the pastor is not, the authority of the pastor to convey church property would have to be judicially determined.

Although more and more churches are incorporating, many are failing to transfer previously

acquired church property held in the trustees of the unincorporated church, to the corporation. This poses a problem for closing agents when the incorporated church wants to mortgage the property, since the officers of the corporation will need to execute the promissory note and mortgage. Although this situation is not specifically addressed in Section 692.101, you may rely on it for issuing an Old Republic Title Insurance Company policy without obtaining a court order. Accordingly, you should obtain and record an affidavit from an authorized administrative person of the church (i.e. the pastor or secretary) confirming the original trustees who acquired title to the property and referencing the deed into the trustees by its recording information. If any of the trustees have died, the affidavit should identify the remaining trustees and certify that they are all of the trustees of the unincorporated predecessor church and, therefore, hold title to the property. The affidavit should be recorded immediately prior to a deed from the remaining trustees into the incorporated church. The names of the trustees should be specifically set out, followed by “as all of the present trustees of (name of unincorporated church)” and the grantee should be described as “(name of incorporated church), a Florida not-for-profit

corporation, corporate successor to (name of unincorporated church), an unincorporated church.”

The incorporated church will then need to execute the mortgage to the lender, so you must remember to review the articles of incorporation and by-laws of the incorporated church for any requirements regarding the mortgaging of church property. If such information is contained in the by-laws, the by-laws relating to the procedure for mortgaging church property (certified as being true and correct by the church secretary or other appropriate officer) should be recorded, along with a certified copy of the resolution adopted by the governing body of the incorporated church authorizing the mortgage and specifying the church officer of officers authorized to execute it. Additionally, as with any corporation, you need to call Corporate Records at the Florida Department of State to verify that the corporation is a valid corporation and in good standing. Also, if there is any discrepancy in the corporate officers listed with Corporate Records and the officer who is signing the documents, you must obtain satisfactory proof that the person signing is, in fact, an officer and has the authority to sign on behalf of the corporation.

Open Email To Agents *continued from page 1—*

tongue in cheek and (because I know him) a smirk. He had a great relationship with BBBB Group, and they had been providing him with great service, so why change anything? He owns an agency with two offices, one of them a thriving joint effort with a builder that produced 30 to 35 closings consistently. He was happy.

Today the tone is different. The BBBB Group (i. e. YYYYYYY Title) has

entered into an affiliation with his builder, resulting in the closing of his branch office and the loss of those 30 to 35 deals. Where do you think they got the lead from? Needless to say, our conversation of a couple of weeks ago became extremely timely and realistic in light of the last couple of days. I don't like to say “I told you so,” but in this case it's true. This is a story we need to tell loudly and repeatedly to every other

agent we come in contact with. Our survival as players in the industry is at stake.

Be proud of our affiliation with Old Republic, and be proud of our dedication to doing business with those that exist solely to support us, not to compete with us. Tell the story.

Jim M.

What Next! A New Scam on Escrow Accounts

■ Scott Pierce, Senior Vice President

One of our law firm agents told their bank not to allow their escrow checks to be tendered for “cash” unless someone at the firm was called beforehand, and that person authorized such a transaction. In performing a bi-weekly escrow reconciliation, the firm noticed that two escrow checks were tendered for cash, each for an amount slightly under \$10,000. When the firm confronted the bank regarding the lack of approval before they were cashed, the bank notified the firm that it had called the firm’s “new phone number” and obtained approval! That was curious since the firm’s telephone number had not changed.

The managing partner of the firm called the “firm’s new phone number” on his cell phone, and was shocked to hear the call being answered in the name of the firm!

He asked for one of the partners and was told that he was not in, but they could take a message. He told the person he needed to mail something to the partner and requested the mailing address, at which time the phone went dead because the only party who was supposed to be calling that number was someone from the bank where the firm had their trust account.

In light of the above, we suggest that any standing orders regarding your trust or escrow accounts be verified periodically so that only senior management is able to make changes or authorizations on those accounts.



As always, reconcile your accounts monthly, and promptly notify your bank of any errors. For even greater protection, we highly encourage that all agents participate in a “Positive Pay” program with the bank so that every draft is verified for payment.

Baby Boom!

It's a Boy!



Renee Scarola and her husband, David, are very proud to announce there has been another *addition* to the Old Republic “family.” David Harris “Harry” Scarola arrived on Sunday, July 16, 2006 at 11:23 a.m. He weighed 7 lbs.7 oz. and measured 18 inches long. Mom and Harry are doing very well, and Mom and Dad are thoroughly enjoying the routine of having a new baby in the family. Renee is an Account Manager for South Florida Agency. Sincere congratulations to the new parents!

Remittances for Second Simultaneous Mortgages Revisited

■ *Linda M. Hernandez, Florida State Underwriter*

In the last issue of *In The Title Corner*, we included an article on the correct way to calculate the premium for mortgagee policies on second mortgages to be insured at the same time (simultaneously) as a sale and (first) mortgage. It appears that some of you still have questions as to the amount of premium to be charged.

In situations where you are asked to issue an owners, as well as first and second mortgagee policies because the mortgages are to be insured concurrently

(simultaneously) with an owners policy, the correct premium charge for **EACH** of the mortgagee policies is at least \$25.00. This is true as long as the total of the two mortgages does not exceed the amount of the owner's coverage. The remittance due Old Republic Title is \$7.50 for each of the mortgagee policies or \$15.00, plus whatever remittance is due for the owners policy premium.

For example, if you are issuing an owners policy for \$100,000.00, a simultaneous first mortgagee

policy in the amount of \$80,000.00 and a simultaneous second mortgagee in the amount of \$20,000.00, the policy premiums would be \$575.00 for the owners, \$25.00 for the simultaneous first mortgagee policy, and \$25.00 for the simultaneous second mortgagee policy, for a total of \$625.00.

Ask Your Underwriter

■ *Linda M. Hernandez, Florida State Underwriter*



Question:

When we agree to give a lender a "clear" Florida Form 9 (even though there may be some encroachments or violations revealed by the survey), are we supposed to take exception to those survey matters on Schedule B-Section 2 of the Commitment or Schedule B-Section 1 of the policy?

Answer:

Yes.

COMMENTS:

We invite your feedback and welcome your suggestions regarding "In The Title Corner" and the publication of future articles. Address correspondence to:

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100 S. Ashley Drive
Suite 700
Tampa, FL 33602
800-342-5957
Fax: 813-228-0301
www.ortfl.com



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New Look For Florida's Web Site

■ By Connie Whitmire, Underwriting Paralegal

We are pleased to announce that Florida's new web site has been activated. You can access it using either of the following addresses: www.ortfl.com or www.oldrepublictitle.com/fl. Navigation instructions for the site are listed below and please remember, when you have a choice of using the "BACK" button, you should always use that button first. If you hit the "X" instead of "back," you will be disconnected from the site and will have to log in again.



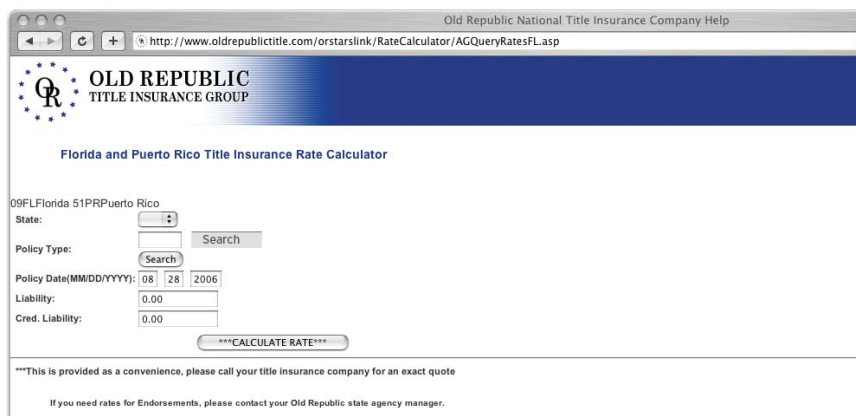
NAVIGATION FOR THE FLORIDA LINKS (most frequently used areas are bolded):

Home		
For the Consumer	1031 Tax Deferred Exchanges	
	Underwriting Alerts & Bulletins	
	CAREERS	
	FAQs About Title Insurance	What is Title Insurance
		Historical Developments
		Title Issues
		Benefits of Title Insurance
		Methods of Title Insurance
		The Public Records
		The Parties in a Transaction
		Why You Need an Owner's Policy
	<i>In the Title Corner</i>	
	Upcoming Seminars	
	U.S. Patriot Act Name Search	
Become An Agent	Application to Become an ORT Agent	

For the Agent	1031 Tax Deferred Exchanges	
	Agency Services / Special Services	
	Agent Supply Request	
	Underwriting Alerts & Bulletins	
	ALTA Forms and Endorsements	
	Application to Become an ORT Agent	
	Data Call	
	Escrow Reconciliation	
	<i>In the Title Corner</i>	
	Closing Protection Letters	
	Order Title Insurance	
	ORLINK	
	ORPAK - Old Republic Packaged Services	
	Policy Logs	
	Public Records Access	
	Title Insurance Rate Calculator	
	RED FLAG ENTITIES	
	Search Back Titles	
	StarsLink	
	Upcoming Seminars	
	US Patriot Act Name Search	
Contact Us	CAREERS	
	Contact Us Online	
	Legal Notices	
	Nationwide Office Locator	
	Florida Office Directory	
	Privacy Policy	
	Who to Call	
About Us	Current Annual Report	
	Our History	
	Our Strengths	
	Our Financial History	
	Our Executives	
	Our Parent Company	
Website Search		
Quick Links	Old Republic National Title Insurance Company	
	American Land Title Association	
	Check Your Continuing Ed Hours (LOGIN by using SSN & DOB)	
	FDIC Special Alerts: Counterfeit & Missing Cashier's Checks	
	FDIC Special Alerts: Counterfeit & Missing Checks	
	Florida Land Title Association	
	The Title Report	
	US Patriot Act Name Search	
Value Plus Program		
Mortgage Rates		

RATE CALCULATOR INSTRUCTIONS

A new Rate Calculator has been placed on the Florida web site, and that site can be accessed at either of the following addresses: www.ortfl.com or www.oldrepublictitle.com/fl.



- State:** Choose FL or PR (Puerto Rico)
 - Policy Type:** The only choices that Florida agents should be concerned with are shown below
 - Liability:** The policy amount
 - Cred. Liability:** The amount of the previous policy
- Click on **Calculate Rate** to obtain the premium

POLICY TYPE:

- 010 - Owners** — Used for a new owners policy
 - 020 - Mortgage** — Used for a new mortgagee policy
 - 030 - Simultaneous Mortgage** — Used when you issue an owners and mortgagee
 - 035 - Simult. Mtg. (MTG >Owners)** — Used when the mortgage amount is greater than the owners
 - 036 - Substitution 0-3 yrs. 30% rate** — Substitution loan rate when same borrower and same lender make a substitution loan on the same property and title was insured in connection with the previous loan
 - 037 - Substitution 3-4 yrs. 40% rate** — Substitution loan rate when same borrower and same lender make a substitution loan on the same property and title was insured in connection with the previous loan
 - 038 - Substitution 4-5 yrs. 50% rate** — Substitution loan rate when same borrower and same lender make a substitution loan on the same property and title was insured in connection with the previous loan
 - 039 - Substitution 5-10 yrs. 60% rate** — Substitution loan rate when same borrower and same lender make a substitution loan on the same property and title was insured in connection with the previous loan
- MINIMUM = \$100.00**
- 041 - Owners Reissue** — Used when there's a prior owners policy
 - 046 - Mortgage Reissue** — Used when there's a prior owners policy
 - MINC-Endorse Increasing Mtg. Liab.** — Used when you're increasing the mortgagee policy liability
 - OINC-Endorse Increasing Owners Liab** — Used when you're increasing the owner's policy liability

Once you obtain a premium from the calculator, you must add the cost of the endorsements you're attaching to your policy.

Most endorsements -	\$25.00
Simultaneous mortgagee policy issued with an owners	\$25.00
For Navigational Servitude & Fm. 9 on a mtg. policy (ORT's share is 30% of that amount)	10% of policy amount
If there's an owners with a simultaneous mortgagee, the rate is 10% of the owners promulgated rate + the simultaneous rate - ORT gets 30% of that amount	
9.1 and 9.2 on owners policies (ORT's share is 30% of that amount)	10% of policy amount



STAY CONNECTED



OLD REPUBLIC
National Title Insurance Company

REMINDER

We recently experienced a phone outage, and were unable to receive calls from anyone almost all day.

As a reminder, you should always use **800-342-5957** or **813-228-0555** first. If those numbers are out of order or otherwise unavailable for some reason, you can then reach us using email (which was unaffected during the outage) or our cell phones. A list of the numbers and email addresses for Underwriting is shown below:

OLD REPUBLIC TITLE UNDERWRITING DEPARTMENT

100 S. Ashley Drive
Suite 700
Tampa, FL 33602-5358

800-342-5957
813-228-0555
813-228-0301 (fax)

UNDERWRITING COUNSEL	EMAIL ADDRESS	EXT.	CELL PHONE
Carolyn Broadwater, Esq.	cbroadwater@oldrepublictitle.com	203	813-503-4087
Jeanne Murphy, Esq.	jmurphy@oldrepublictitle.com	219	813-382-4532
Jim Russick, Esq.	jrussick@oldrepublictitle.com	222	813-335-0306
Linda Hernandez, J.D.	lhernandez@oldrepublictitle.com	224	813-220-7585
Suzanne Barry, Esq.	sbarry@oldrepublictitle.com	263	813-335-7044

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CONTACT:

Underwriting Counsel regarding all underwriting questions
Assistants regarding the web site, indem letters or seminars