

FLORIDA BULLETIN 01-10

TO: ALL AGENTS AND TITLE PLANT OPERATIONS
FROM: UNDERWRITING DEPARTMENT
DATE: DECEMBER 18, 2001
RE: FRAUDULENT PRACTICES

If something is too good to be true, it usually is. This is particularly true in transactions where you are asked to insure a tax deed, a sheriff's deed or a deed in lieu of foreclosure, or in transactions where the seller has acquired title in one of these manners.

1. With regard to tax deeds, remember that a tax deed must be on record at least four years before we will consider insuring title. The holder of the tax deed, or his successors, must have paid taxes for the four-year period, and approval from your Old Republic Underwriting Department is required. In situations where the deed has not been of record for a considerable period of time, a proper quiet title action will be necessary.
2. Insuring title under a sheriff's deed will require careful examination of the proceedings leading up to the entry of a final judgment, together with examination of the supplementary proceedings resulting in the sheriff's deed. Everything must be in perfect order and some substantial time must have passed since the recording of the sheriff's deed. Again, approval from your Old Republic Underwriting Department is a must.
3. Dealing with title in favor of a third party purchaser at a foreclosure sale is not unlike the sheriff's deed or tax deed. Furthermore, the proposed insured may be a purchaser at a foreclosure sale for a construction lien, condominium lien or homeowner association lien where the purchase price at the foreclosure is considerably less than the property's true value. Underwriting approval, after careful examination, is required and the policy should be issued for no more than the actual purchase price. This situation is not to be confused with the normal bank foreclosure where the lender acquires title.

As always, your Old Republic Underwriting Department is available to answer any questions you may have about these or any other issues.

**This Bulletin is to become a permanent part of your Bulletin Manual,
and you are to comply with the requirements contained herein.**