

# Bulletin

## FLORIDA BULLETIN 07-04

TO: ALL AGENTS AND TITLE PLANT OPERATIONS  
FROM: UNDERWRITING DEPARTMENT  
DATE: JUNE 12, 2007  
RE: DISBURSEMENT PROCEDURES

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As all of you are well aware, the tightening real estate market has brought additional and more innovative fraudulent real estate schemes. We thought it would be a good time to issue a bulletin reiterating Old Republic National Title Insurance Company's requirements with regards to certain disbursement/closing issues to help avoid your being an unwilling participant in a fraud.

- If there is a transaction in your chain less than one (1) year old for which there is no obvious money source (i.e. a recorded satisfaction of mortgage but no refinance, or a deed but no mortgage), then you should verify the transaction and obtain underwriting approval prior to closing.
- No wires should be sent outside of the United States to a non-seller without underwriting approval.
- Disbursements are encouraged to be made by escrow/trust account check rather than wire. We have had greater success protecting the agent against fraud where there has been a forged signature on the check.
- Disbursements may **ONLY** be made exactly in accordance with the lender approved HUD. Lender approval should be **in writing**. The payee and the amount of every check must be exactly as set forth on the HUD, without deviation.
- Proceeds are to be disbursed only to the seller or borrower, exactly as they appear on the deed or mortgage. You may not use "Written Authorizations to Disburse" redirecting the sellers/borrowers proceeds to other parties unless this is specifically set forth on the face of the lender approved HUD. For instance, a request to pay off an off-record mortgage or note, an undisclosed partner, a consulting fee or an assignment of contract fee should not be accommodated, absent documentation and written lender approval.
- A disbursement should never be made to the "attorney for . . ." unless it is pursuant to a signed escrow agreement or court order (with proper disclosure on the HUD). Remember, your escrow or trust account check is good funds to the next closing agent, so it is not necessary to disburse to the closing agent handling the seller's next purchase. The recipient can endorse over the proceeds check, as necessary.

If you have any questions regarding the foregoing, please do not hesitate to call the underwriting department for assistance.

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