

OLD REPUBLIC National Title Insurance Company
777 Post Oak Boulevard, Suite 200 Houston, Texas 77056-3203
(713) 877-1780 (713) 877-1770 FAX 1-888-678-1700 www.oldrepnatl.com
Home Office. - Minneapolis, Minnesota 55401-2499

MEMORANDUM

TO: All Agents, Direct Operations and Attorneys in the State of Texas

FROM: David W. Rhodes

DATE: April 1, 2000

SUBJECT: Builder Alert

Old Republic Title Insurance Company has gotten reports of two customers engaged in building residential units that are in financial difficulty. One of these builders is in South Texas and the other is in the Dallas area. We have not suffered any losses at this time but this may be an indication that we all need to be a little more cautious in insuring these transactions.

The best way to protect against claims for unpaid bills is to call several of the subcontractors and ask if they have been paid. Double-check any lien waivers that have been provided by the builder as opposed to coming directly from the subcontractors.

Please call for underwriting help if you receive any indication that one of your builder/customers is in trouble.