

SOUTHERN TITLE INSURANCE CORP.

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Title Talk

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Southern Title's Core Values

- Honesty & Integrity
- Courtesy & Respect
- Professionalism
- Openness & Fairness
- Safety
- Corporate Citizenship
- Teamwork

1031 Like-Kind Exchanges

Southern Title is pleased to offer tax deferred exchanges to our clients. A tax deferred exchange is a method by which a property owner trades one investment property for another without having to pay any federal income taxes on the transaction. For more information, contact Marie Jennings at 1-800-468-0151

Note From The President

I would like to take this opportunity to announce that I will be retiring on March 31, 2008. I can't begin to express how rewarding it has been to be a part of Southern Title's outstanding success and to have the opportunity to work with the greatest employees, agents, attorneys and real estate professionals in the industry. I will truly miss all the wonderful people. It also gives me great pleasure to announce that Southern Title's Board of Directors has named Gene McCullough as the next Chief Operating Officer. Gene is currently Executive Vice President-Insurance Operations. As many of you know, Gene is one of the most respected men in our industry. With over 30 years in the industry, Gene brings a level of experience and knowledge that is outstanding.

Thank you for your support over the past years. I will miss you all!

Dennis M. Reeves

Avoiding Check Fraud Through Positive Pay

Check fraud continues to be a threat to many of us in the title industry. At Southern Title, we are always looking for ways to keep our business partners informed by sharing information and products that we feel will help protect their business. One of the simplest tools to virtually eliminate check fraud is positive pay. Positive pay is a service that is offered by most banks. When an account has positive pay "activated" the bank will only clear those checks that the account holder has confirmed as having been issued. The bank requires that the account holder send, at least daily, a file containing a listing of all checks that have been disbursed from the account. When a check from a "positive pay" account is presented to the bank for payment, it is compared to the issue file sent by the account holder. If the check matches the information held by the bank, it is paid. If it does not match, the check is "not paid" and shown as an exception item to be decided (pay/do not pay) by the account holder. Depending on your production software, there are corresponding "positive pay applications" that you can purchase to accomplish the positive pay file transfer to the bank. The application that you select should be automated, and be capable of sending positive pay files to the bank throughout the business day to match the bank's update schedule. We encourage all of our business partners to consider the benefits of positive pay on their escrow accounts. Please contact your lending institution to see if they offer positive pay and to discuss any questions that you may have regarding the protection of your escrow account.



Southern Title Your Partner In Business

You have enough competitors for your business. Your underwriter should not be one of them. By working with our agents, and not in competition with our agents, Southern Title has become the business partner of choice.

**“Southern Title’s
2006 Financial
Stability Rating
A’ (A Prime)
Unsurpassed”
Demotech, Inc.**

**Southern Title’s
2006 Commercial
Real Estate
Recommendation:
Strongly Recommended
Demotech, Inc.**

Online Policy Jacket Production System

Southern Title is now offering policy jackets online. Our policy jacket production system is very easy to use. Through our website, agents can produce commitment and policy jackets in minutes. The system also tracks the policy jackets that have been issued for easy reference. For assistance with this feature, please call your local branch.

Landmark RESPA Ruling

A landmark decision from the U.S. Court of Appeals for the Second Circuit was rendered in Cohen v. JP Morgan Chase & Co. and JP Morgan Chase Bank. For the first time, a federal court held that, under the Real Estate Settlement Procedures Act of 1974 (RESPA), a settlement service provider is prohibited from charging a fee when it does not perform any service in return. RESPA has primarily been a disclosure and anti-kickback statute. This ruling bolsters the opinion of the U.S. Department of Housing and Urban Development (HUD) that RESPA also covers universal charges. What does this ruling mean and how does it affect our industry? Essentially, any real estate broker/agent, mortgage broker/lender, homebuilder, title agent/company and other player in the industry should be able to demonstrate that they perform actual services for any fees that they charge to consumers, not only because it makes good business sense, but because failure to do so could result in civil and criminal penalties.

www.southerntitle.com-Legal Opinions Link

At Southern Title Insurance Corp., we are always updating our website to better serve our agents and attorneys. One of the newest features of our website is the “Statutes by State” link. Simply go to www.southerntitle.com and login using your username and password. The page you will be directed to has a heading “Statutes by State” on the left side. Click on that link and it will take you to the Cornell University Law School site. Click on a state that you are interested in and that will take you to the legal materials that pertain to that jurisdiction.

Upcoming Fall Seminars

Southern Title will be conducting free continuing education seminars for our agents this fall in the following locations:

- Thursday, October 18th.....Leesburg (Comfort Suites)
- Thursday, October 25th.....Lynchburg (Bank of the James Building)
- Tuesday, November 13th.....Silver Springs, Maryland (Crowne Plaza)

Formal invitations have been mailed. If you have not received an invitation, please contact Jessica Patterson at jpatterson@southerntitle.com

Competition

Our industry is experiencing a down turn from previous years. As business gets harder to find and capture, we want to remind our business partners that we are not your competitor. We know that you have enough competitors in the marketplace; we feel your underwriter should not be one of them. We look forward to a continued relationship of working with you.

Website of the Month

As more lending institutions go out of business, it is imperative that we all stay informed of these industry changes. We’ve found a website that will help:

www.ml-implode.com

By going to this website, you can view a list of troubled lenders. This site is updated daily.