



## UNDERWRITING MEMORANDUM 06-06

To: All South Carolina Agents  
From: South Carolina State Office  
Date: August 14, 2006  
Re: Unencumbered property insured for \$1,000,000 or more

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The Company has noted an increase in claims resulting from satisfaction of mortgages. These claims usually involve mortgages which have been satisfied of record within a few months prior to closing.

### **Search and Closing Procedures**

Since it is unusual for most properties to be unencumbered, a recent satisfaction of any loan on the property should be investigated. Accordingly, the following safeguard, in addition to any others you are already using, must be implemented prior to closing a transaction where a mortgage in your chain of title has been recently satisfied outside your closing:

If a property is to be insured:

- a. for one million dollars (\$1,000,000) or more,
- b. it is free and clear of any loan,

then there must be written approval by the closing attorney of the mortgage satisfaction. The original approval will be placed in the title file.

The above is effective immediately.