



UNDERWRITING BULLETIN

To: All Florida Agents of WFG National Title Insurance Company
From: WFG Florida Underwriting Department
Date: June 20, 2012
Bulletin No.: FL-06202012-01
Re: Putnam State Bank, Palatka, Florida

The FDIC was appointed receiver on Friday, June 15, 2012 for **PUTNAM STATE BANK (Palatka, FL)**. The FDIC entered into a purchase agreement to sell substantially all of the assets of the failed bank to **Harbor Community Bank (Indiantown, FL)**.

When the FDIC is appointed receiver and sells the failed bank's assets, this does not mean that the failed bank's assets are automatically transferred by state law to the buying bank. Additionally, the buying bank cannot be deemed a "successor" to the failed bank.

The purchase does mean that we can treat the buying bank as the owner of certain loans held by the failed bank which the buying bank purchased. Therefore, we can rely on payoff statements, releases, satisfactions, and foreclosure actions by such buying bank - if the buying bank asserts that it is the assignee by purchase. Please note that some buying banks buy substantially less than all of the assets of the failed bank - you may rely on their assertion that a particular loan was acquired by them. For foreclosures, the buying bank will be required to prove their ownership of the debt in question. Proof of ownership of the debt can be accomplished by filing the original note in the foreclosure case endorsed to the buying bank by the FDIC as Receiver for the failed bank. On releases, the buying bank should recite that it is the assignee of the loan.

For assignments and modifications, it will be necessary to record an affidavit from the FDIC, as receiver, that it sold the particular loan asset to the buying bank.

For real estate owned property ("REO"), the grantor would be the FDIC, as receiver for the failed bank. Each purchase agreement between the FDIC and the buying bank provides, at paragraph 3.3., that the "conveyance of all assets, including real and personal property interests, purchased by the assuming institution [buying bank] under this agreement shall be made, as necessary, by receiver's deed or receiver's bill of sale..." The FDIC will usually grant a power of attorney to certain individuals at the

failed bank, at the buyer bank, or internally, to authorize execution of the receiver's deed and other documents transferring the failed bank's assets to the buying bank.

A two deed procedure will be required to transfer REO property. First, the FDIC, as receiver for the failed bank, will convey title to the buying bank; and second, the buying bank will convey title to the end purchaser.

NOTE: This Bulletin is intended for use by title issuing offices, title insurance agents and approved attorneys of WFG National Title Insurance Company and any reliance by any other person or entity is unauthorized. This bulletin is intended solely for the purpose of underwriting policies of WFG National Title Insurance Company.