



June 2014



**ABSTRACTS, INSURED CLOSINGS, TITLE INSURANCE**

*Quality Service Since 1867*

*498 Ohio Street, Terre Haute, Indiana 47807*

*812.232.2752 phone 812.235.2718 fax*

**INSURANCE LICENSE INFORMATION**

<i><b>Name</b></i>	<i><b>Number</b></i>	<i><b>Expiration</b></i>
Kathy Cox	575684	02/28/2022
Laura Haddix	623916	03/31/2023
Debra Keller	435065	08/31/2021
Hendrich Abstract	2200000	01/31/2022
Audrey Jones	760500	11/30/2021
Lori Jean Nicoson	3122972	02/28/2022
Leah Shattuck	3216352	01/31/2023
Meagan Butrum	3258420	10/31/2021
Julie Morris	885902	09/30/2021
Tara Renee Hasler	3433581	12/31/2021





### ESCROW ACCOUNT CONTROLS POLICY

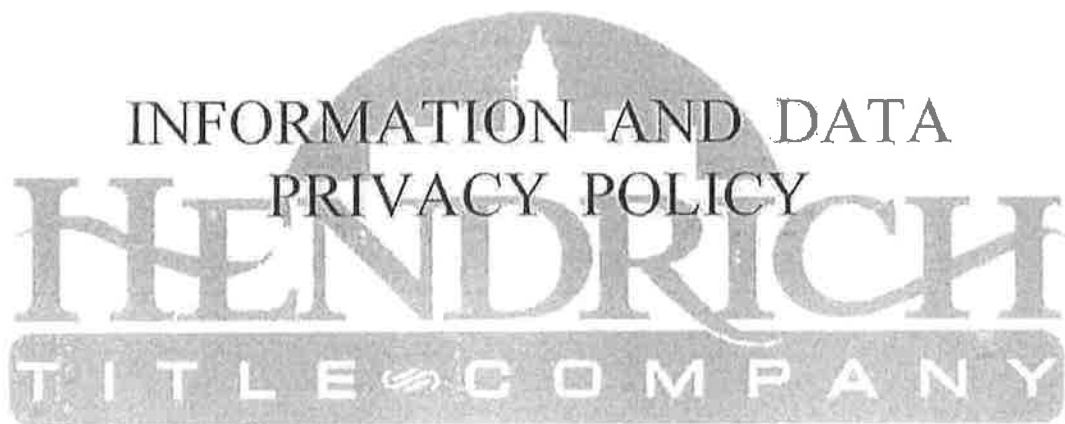
Escrow Funds are maintained in a Federally Insured Financial Institution in a separate bank account. Appropriate identification of Escrow Account appears on all documents related to the Escrow Account. "Positive Pay", automated clearing house blocks and international wire blocks are utilized.

Appropriate levels of authorization are set by the Company and reviewed annually. Only employees whose authority has been defined to authorize bank transactions may do so. Former employees are immediately deleted as signatories or employees authorized to transact banking functions.

Outstanding file balances are documented. On at least a daily basis, an employee performs a reconciliation of the receipts and disbursements of the escrow trust account. On a monthly basis, a Three-Way Reconciliation is completed in order to reconcile the bank statement, check Book and Trial Balances. Management reviews the results of the reconciliations to be sure that no issues are being hidden or overlooked and appropriate actions are taken to rectify any discrepancies. Reconciliations and bank account status are available remotely.

When hiring employees, credit and background checks are performed.

Training as to Best Practices for handling escrowed funds is conducted for employees dealing with such funds.





### INFORMATION AND DATA PRIVACY POLICY

Hendrich Title Company has adopted procedures and policies to guard against unauthorized or unlawful processing of personal data and against accidental loss, destruction or damage of data.

Procedures are in place to control physical and electronic access to files and information used to process those files received from Lender or other parties including realtors. Controls to access of information include but are not limited to password protection on files and server access. Our server is locked during non-business hours.

The Company's business continuity/disaster recovery plan includes taking regular back-ups of computer data files. The backup is stored away from the office at a safe location.

Staff is trained on an ongoing basis on security and privacy policies.

Any breach of security is disclosed to appropriate parties and addressed immediately upon discovery.

Personal data is collected only for the purpose specified. Data collected is relevant but not excessive for the purposes required. It is not kept for longer than is necessary for the purposes collected as well to comply with applicable laws for document retention. Files are moved to a secure locked location in our office prior to off-site scanning and shredding. Files are scanned into our secure server and paper copies are shredded off site.

We protect the data collected with appropriate technical and organizational measures to minimize the risk of unauthorized or unlawful processing and to protect against accidental loss or destruction or damage to personal data. Servers are stored in area where non employees have no access. The area is locked during non-business hours. Privileged information is not removed from the office.

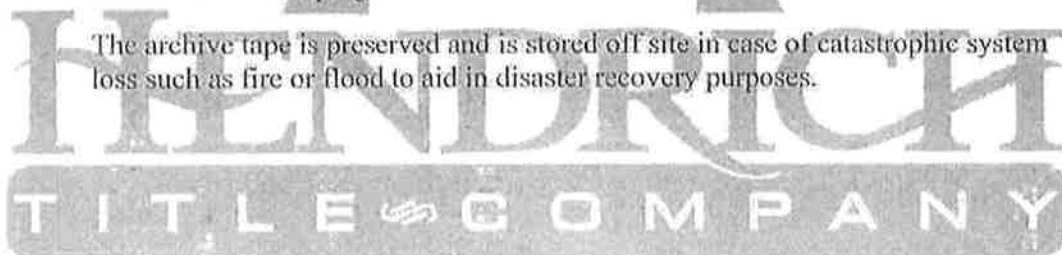
page 2

except when contained on/within appropriately secured data transmission methods. Paper files are never removed from the office except as needed for a remote closing. Access to data, current or archived, is provided only to those individuals who, in the course of performing their responsibilities and functions, must use the specified data.

Remote access to our server and its data is available to management personnel only. When such access is provided, it is required that the remote computers also have anti-virus software installed and regularly updated with the latest virus protections.

All data on the network is protected by anti-virus software that runs on servers and workstations, and is updated automatically with on-line downloads from the website. This service includes alerts whenever a virus is detected. Any detection of potentially corrupting or dangerous programs is dealt with by our IT company. All new data stored on the server is backed up automatically on a daily basis, using an appropriately secure system for fast indexing and data restoration; all information stored on the server is backed up weekly. The server images to an external hard drive that is rotated with a second external hard drive that is stored offsite for safe keeping.

The archive tape is preserved and is stored off site in case of catastrophic system loss such as fire or flood to aid in disaster recovery purposes.









### SETTLEMENT POLICIES AND PROCEDURES

Hendrich Title Company acknowledges that Lenders expect full disclosure of all receipts and disbursements in accordance with written mutual instructions. All sets of closing instructions are collected and reviewed prior to closing. If any one set of closing instructions is adverse to another set of closing instructions, we obtain in writing from all parties consent to the changes made to correct the adverse matters prior to closing.

The closing is performed in accordance to all instructions from:

- a) Lender Closing Instructions
- b) Title Commitment
- c) Purchase Agreement
- d) Any other miscellaneous agreements (Escrow Agreements, etc.)

All HUD Regulations, RESPA procedures and CFPB guidelines, instructions from the Indiana Department of Insurance are followed in preparation of the HUD Settlement Statements and all disbursement checks match exactly what is shown on the HUD Settlement Statement. Hendrich Title Company cooperates in regular audits with oversight agencies.

### Specific Detailed Guidelines

#### Disbursement Of Proceeds

##### **Buyer/Borrower Proceeds:**

Any amount shown on line 303 of the HUD-1 Settlement Statement (funds due from Buyer/Borrower) must be deposited into our escrow by the borrower or be disbursed to the Borrower as shown in Section D of the HUD-1 Settlement Statement.

Any funds received by any other party must be reflected on a separate line in the 200 series designating the source of funds.

If Buyer/Borrower funds are credited prior to the printing of the final HUD-1 statement, those funds are reflected in the 200 series of the HUD-1 Statement and show the source of funds. Line 303 should reflect zero proceeds or a refund, if any due to the Buyer/Borrower.

**Seller Proceeds:**

Seller proceeds are not assigned or otherwise disbursed but are disbursed to Seller, as defined in the Loan closing instructions and HUD-1. When the Seller requests the proceeds to be paid otherwise, pre-closing clearance is obtained by Closing Department.

Multiple disbursements to the same payee are not acceptable. Disbursements in increments of \$10,000 or less could be perceived as participation in a money laundering scheme.

Borrower proceeds from a refinance, if any, are paid in strict compliance with the written closing instructions provided by the funding Lender. Pre-closing consent is obtained from the Lender on any request to pay additional parties. If such consent is received in writing, the changes are listed in the 1300 section of the HUD-1.

**Mortgage Payoffs**

Payoff Statements are only accepted directly from the lender being paid off – NEVER from an individual who delivers it. Statements must be in writing and should reference loan number and property address in addition to borrower's name. Sufficient detail appears on the payoff check to identify the property and borrower. Sellers never deliver their own payoff check. Payoff checks are delivered in a manner in which the date and time of receipt of the check can be documented.

We obtain a signed 'closing letter' from the Borrower to the Lender requesting that the home equity or credit line be closed.

Attorney's fees and other court costs are collected for in foreclosure filings.

**Escrowed Funds Disbursement:**

Approvers' and/or check signers' responsibilities on external disbursements are to ensure the payment amounts are supported, proper vendors are paid, and disbursements have been properly authorized by the escrow officer.

Approvers' and/or check signers' responsibilities over our fee income are to ensure that checks for Hendrich Title Company's fees are only processed after the order has closed.

**Escrow Account Checks**

A check that has been issued and processed in the accounting records, but subsequently lost, stolen or returned to the Company is "voided".

If the original check has been returned, it is marked "Void", the signature portion of the check is removed and it is forwarded to accounting for adjustment to the appropriate records. Voided checks,

page 3

if found, are retained.

If a check has been lost or stolen, stop payment is requested by supervisor.

If the check has been lost or stolen, the accounting department will contact the bank to verify that the check has not cleared the bank. If it has not cleared, the bank will be advised both orally and in writing to place a stop payment on the check. No check will be reissued until it has been determined that it has not cleared the bank and authorization has been received from the accounting department.

If the original check is subsequently found, it will be forwarded to the accounting department with a note across the face of the original check stating that a stop payment was issued on this check and indicating the date of the stop payment.

#### **Disbursement or Receipt of Funds By Wire:**

Indiana Code 27-7-3.7 requires Good Funds for real estate transactions. Funds received from any party to the transaction in an amount of \$10,000 or more must be in the form of an irrevocable wire transfer. Funds received from any party in an amount less than \$10,000 may be in the form of irrevocable wire transfer, cashier's check, certified check, check drawn on the escrow account of another closing agent, or check drawn on the trust account of a licensed real estate broker. No Personal checks may be accepted.

No escrow department employee is unilaterally authorized to issue a wire transfer.

Customers are to communicate all wire transfer requests in writing and each escrow officer is then to communicate the wire transfer information to one of the authorized employees in writing or by fax and confirmed in writing.

In all cases of initiation of a wire transfer by an authorized party, a reasonable security procedure is used to validate the transfer. Duplicate signatures and passwords are utilized as well as a follow up phone confirmation.

#### **Mortgage Fraud Awareness and Prevention:**

Hendrich Title Company will not tolerate ANY deviation from standard closing procedures that would result in Mortgage fraud. We adhere to all Underwriting Bulletins concerning Settlement Issues and all employees are made aware of the varying aspects of Mortgage Fraud and are instructed to report any hint of such problems. All employees are alerted to the fact that mortgage fraud can have many aspects and are aware that mortgage fraud may include the following:

A person that knowingly, with the intent to defraud, does any of the following is guilty of the crime of residential mortgage fraud:

A person that makes a false statement or misrepresentation concerning a material fact or deliberately conceals or fails to disclose a material fact during the mortgage lending process.

A person that, during the mortgage lending process, makes or uses a false pretense, or uses or facilitates the use of another person's false pretense, concerning the person's intent to perform a future event or to have a future event performed.

A person that uses or facilitates the use of a false statement or misrepresentation made by another person concerning a material fact or deliberately uses or facilitates the use of another person's concealment or failure to disclose a material fact during the mortgage lending process.

A person that receives or attempts to receive any proceeds or any other money in connection with the mortgage lending process that the person knows resulted from a violation.

A person that files or causes to be filed with the Recorder of any county of this state any document involved in the mortgage lending process that the person knows to contain a deliberate material misstatement, misrepresentation, or omission.

A person that fails to disburse funds in accordance with the settlement or closing statement for the mortgage loan.

A person that solicits, encourages, or coerces another person to participate in any of the above activities.

#### Pricing Procedure

On a regular basis, the "Rates and Remittances" language in the Issuing Agency Contract is reviewed with all personnel responsible for rate and split calculations, policy issuance and policy reporting. When rate change bulletins are issued, the reviews are immediate in order to insure that proper rate changes are made.

On each title order, state approved online calculators are used to ensure correct fees are being charged for policy premiums, state specific fees, and endorsements. Applicable rate discounts, such as Simultaneous Issue, Reissue, and Refinance Rates (if applicable) are calculated and charged when appropriate. A written record of all rate calculations is kept in the file.

On an ongoing basis, a quality check of 5% of all files is made to verify compliance with rate calculations and recording procedures by our underwriter.

Recording procedure

Documents are submitted or shipped for recording to the proper recording office within 2 business days of Settlement. In counties where we have an office, recording is done by an employee. For counties where we do not have an office, we use United States Postal Service.

Shipments of documents for recording are tracked and a log is kept and tracked in each file. We verify that recording actually took place and maintain recording information for each document in each file. When notice is received that a document has been rejected, all effort is made to resolve the problem and submit for re-recording within two days.





TITLE POLICY PRODUCTION AND  
FILE MAINTENANCE POLICIES





### TITLE POLICY PRODUCTION AND FILE MAINTENANCE

Title insurance orders will be processed either on the same day or the next business day after receipt. Searches will be made with due regard to recognized title insurance underwriting practices and in accordance with our Underwriter's bulletins, manuals and other instructions, including any state or federal applicable requirements. Each policy issued on behalf of our Underwriter is issued upon a determination of insurability of title which includes, but may not be limited to, a search from earliest public records or in accordance with applicable state law and/or Underwriter's written instructions; and an examination of all documents affecting title to the subject property.

Each title order or transaction is prepared and maintained in a separate title file that contains all documents upon which we relied to make our determination of insurability, including, but not limited to: affidavits, maps, plats, lien waivers, surveys, title reports, searches, examinations, and work sheets, together with a copy of each commitment, policy, endorsement and other title assurance issued.

We maintain a separate closing file for each transaction, with the closing file containing, without limitation: closing statements, disbursement worksheets, copies of all checks disbursed and receipted, deposit slips, escrow agreements and any other instruments or documents executed or created at Closing. We generally keep both the title and closing files for each property together in one physical folder or electronic filing system that allows tracking and future review.

The title and closing files are preserved in accordance with applicable State document retention requirements, or in the case of a legal hold order, in accordance with instructions of our Underwriter(s).

In the event that we destroy or disseminate the files for any reason, we shall maintain and protect any confidential or private information contained in such files in accordance with applicable State and Federal law.

We maintain a policy register in a form approved by our Underwriter showing the disposition of all policies and other pre-numbered forms furnished. Even though these logs/register are now generally kept electronically by our underwriter, we are able to

page 2

reconcile our records against our underwriters' records. Differences are properly identified as voided policies or otherwise.

A review of our Agency Agreements with our Underwriter(s) shows that if there is a termination of our Agency Contract, policies will be property of underwriter but Hendrich will retain ownership of closing files.

We maintain the files for appropriate time periods in accordance with applicable State and Federal law.

When claims are filed and the Underwriter requests a copy of the file in question, or when files are requested for other reasons, we promptly search for and provide the requested documentation. These may include:

All documents received by Agent in which Underwriter is a party to any administrative and/or judicial proceedings;

All written complaints or inquiries made to any regulatory agency regarding transactions involving title insurance policies, endorsements, commitments or other title assurances of a particular Underwriter;

Any information alleging a claim involving a policy, commitment, endorsement or other title assurance of an Underwriter or a transaction for which an Underwriter may be liable; and

All original documentation and work papers associated with the transaction or conduct giving rise to any examination, claim or complaint.

**HENDRICH**  
**TITLE COMPANY**





## CUSTOMER COMPLAINT PROCEDURES



## **CUSTOMER COMPLAINT POLICY**

It is the policy of Hendrich Title Company to respond to customer complaints, disputes, and issues swiftly and to promote quick, decisive and accurate response to all inquiries, questions and concerns brought to our attention. Employees are aware that consumer complaints may be voiced in a variety of forms including phone calls, voice mail, email and regular mail.

### **General Procedures**

When a complaint is received, a Complaint Intake Form is filled out. The email or notes from the phone call are attached to the Complaint Intake Form and the form is given to the Complaint Resolution Officer (CRO) as soon as possible, but no later than the end of the day in which the complaint was made.

The CRO will maintain a Complaint log. The CRO will either handle the resolution of the complaint directly or ask a manager to resolve the complaint. The CRO or manager will contact the customer by the end of the second business day to acknowledge receipt of the complaint and give a status update such as "just started looking into it" or "we've resolved it by...".

The CRO will investigate the validity of the complaint, any mitigating factors, and the best solution, all of which may involve other employees. The goal is to resolve the complaint within 3 business days. If it will take longer than 3 days to resolve the complaint, the customer must be notified on the status of the resolution and given an update on what steps are being taken and when a result is expected.

### **Record Keeping**

The CRO will scan and electronically store all of the materials related to the complaint and its resolution.

### **Monthly Meeting**

On a monthly basis, the CRO will speak briefly to the staff about complaints received. The purpose of this meeting is to make staff aware of filed complaints and to discuss measures to be taken to avoid similar complaints in the future.

### Customer Complaint Form

Date: Time:	Complaint taken by:
Customer Name:	
Address:	
Phone Number:	
Email Address:	
Re: File No. _____ Details:	
Attach additional pages as necessary	
<b>Customer Follow-up</b>	
Contact #1 Date/Time: Notes:	
Contact # 2 Date/Time: Notes:	
<b>Resolution</b>	
Date/Time: Notes:	
Date complaint file uploaded:	

Signature \_\_\_\_\_ Printed Name \_\_\_\_\_



PROFESSIONAL LIABILITY AND  
FIDELITY COVERAGES





### **PROFESSIONAL LIABILITY AND FIDELITY COVERAGE POLICY**

The company maintains professional liability insurance in the amount of no less than \$1,000,000 each claim/\$1,000,000 aggregate. This amount is appropriate given the company's size and complexity and the nature and scope of its operations; the amount is not less than the amount agreed to in the company's underwriting agreement(s). The insurance carrier is nationally known and has appropriate Best ratings. Coverage / Endorsements are reviewed annually and are added or subtracted to reflect current changes in the practices of the industry and to reflect new threats to our business as they arise, such as cybercrime.

The company maintains a fidelity bond policy in an amount of not less than \$250,000 aggregate. The company reviews both State law and our Issuing Agency Contracts to verify that our coverage meets or exceeds their respective requirements. This coverage is carried even if State law or our Issuing Agency Contract does not require it from time-to-time as conditions or laws change.

The company will provide Closing Protection Letters issued by underwriter in accordance with rulings of Department of Insurance and State law.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/11/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Riebling Insurance Agency, LLC 100 Fire Island Avenue  Babylon NY 11702	<b>CONTACT NAME:</b> Denise Finn <b>PHONE (A/C, No, Ext):</b> (516) 280-6760 <b>E-MAIL ADDRESS:</b> dfinn@rialc.net <b>FAX (A/C, No):</b>  <b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Underwriter at Lloyd's of London <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	<b>NAIC #</b> 15792
<b>INSURED</b> Hendrich Abstract Company Inc., DBA: Hendrich Title Company 498 Ohio Street  Terre Haute IN 47807		

**COVERAGES****CERTIFICATE NUMBER:** CL2031112360**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Errors & Omissions			SUA FEO1672-2004	04/01/2020	04/01/2021	Each Claim \$1,000,000 Aggregate \$1,000,000 Deductible \$10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Fidelity Bond SUAFESB10495-2004 Eff. 4/1/2020 to 4/1/2021 Aggregate \$500,000 Deductible \$7,500  
Cyber Liability SUA1853CYB-T-2004 Eff. 4/1/2020 to 4/1/2021 Aggregate \$1,000,000 Deductible \$2,500

The following office location is also covered under the above referenced policy:  
Hendrich Title Company - 1418 N. 1000 W. Linton, IN 47441

**CERTIFICATE HOLDER****CANCELLATION**

Evidence of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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