

NEWS RELEASE October 15, 2008

***Chicago, Illinois--Fidelity National Financial Family of Companies broadens use of UCCPlus Mezzanine Protection Program, setting a new standard of "Best-Practice Protection" for Lenders and Investors Preparing For a Slow-Down in the Commercial Real Estate Markets.***

Fidelity has broadened the use of its *UCCPlus* Mezzanine Protection Program as a credit quality and liquidity tool for mezzanine lenders facing greater competition, compressed spreads, lower loan-to-value ratios, tighter underwriting standards and tougher capital requirements.

In a traditional mezzanine finance transaction, the *UCCPlus* Lender's policy insures the investor's or lender's security interest in Article 8 and Article 9 collateral, typically pledges of limited liability or limited partnership interests; for validity, enforceability, attachment, perfection and priority. Loans that are insured by *UCCPlus* tend to have greater value in the secondary market than loans that are not insured.

Coverage includes UCC search and filing functions; and protects the lender from fraud, forgery, documentation defects and search office errors and omissions. *UCCPlus* also provides cost-of-defense coverage in the event of a loss as a result of the lender's security interest not being properly perfected or having proper priority.

*UCCPlus* strengthens transactions by providing national, assignable insurance coverage rather than the lender's reliance on the traditional legal opinion, often heavily laden with caveats and exceptions. In addition, *UCCPlus* provides coverage well beyond the modest indemnification of UCC search and filing vendors.

According to Gary Zimmerman, Chief Underwriting Counsel of Fidelity's UCC Insurance Division, "many banks originating newly created loan products have downplayed both credit worthiness and the importance of reliance collateral. These "relaxed" underwriting standards, are now the subject of greater regulatory scrutiny, rating agency concern, credit quality and liquidity problems"

Theodore Sprink, Senior Vice President and National Marketing Director of Fidelity's *UCCPlus* Risk Management Program stated that the *commercial real estate loan markets*, although showing signs of significant slowing, have remained under the radar screen of regulators and rating agencies in much the same way as the sub-prime market problems, which burst suddenly onto the national scene.

Sprink suggested that mezzanine lenders, not unlike the sub-prime market, are exposed to rising defaults and greater reliance on pledged collateral, which may

have a profound impact on the financial health of both lenders and investors, should the current credit quality and liquidity problems spread into the commercial real estate loan market.

Zimmerman indicated the title insurance industry specifically developed "UCC Insurance" as a Risk Management tool, to provide an element of back-stopping the threat to the lender's security interest in non-real estate collateral. *UCCPlus* provides the industry's broadest coverages, narrowest exclusions and most flexible pricing model. All underwriters are lawyers and senior paralegals with significant experience in commercial finance, specializing in large and complex transactions.

Fidelity National Financial (FNF) and the Fidelity National Title Group (FNTG) comprise the nation's largest and most respected title insurance and escrow companies, producing policies under the Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title insurance company brands. FNTG currently issues nearly one in three residential and commercial title insurance policies in the U.S., also providing centralized title and closing services to national lenders through its ServiceLink entity.

Additional details regarding Fidelity's *UCCPlus* Mezzanine Protection Program are available by contacting Gary M. Zimmerman at 312-223-2441 ([gary.zimmerman@fnf.com](mailto:gary.zimmerman@fnf.com)) or Theodore H. Sprink at 760-931-4731 ([tsprink@fnf.com](mailto:tsprink@fnf.com)) or by visiting [www.uccplus.com](http://www.uccplus.com)