

*UCCPlus Risk Management* is underwritten by the Fidelity National Financial family of companies.

Fidelity National Financial, Inc. (NYSE: FNF) is a leading Fortune 500 provider of title insurance, loan origination and closing services, specialty insurance and claims management services. Nationally recognized as one of the best managed and most admired companies in the country, FNF's primary operating segments include:

**Fidelity National Title Group (FNTG)** is one of 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., and also provides centralized title and closing services to national lenders through its ServiceLink entity.

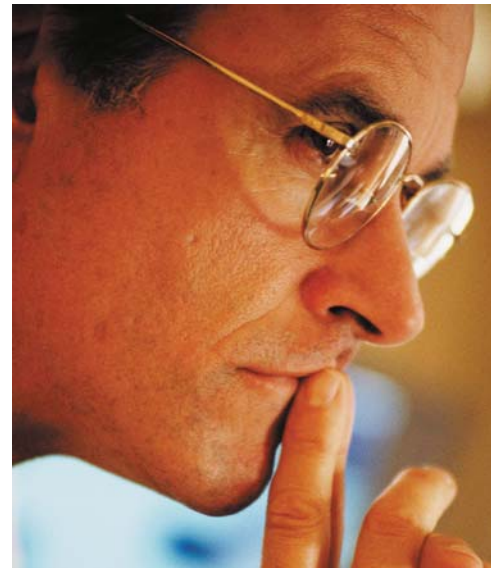
**Fidelity National Property and Casualty Insurance Group** is a nationwide provider of personal insurance products, including residential property, auto, flood and umbrella insurance.

**Fidelity National Real Estate Solutions (FNRES)** empowers brokers, MLS providers, agents, lenders, mortgage lending and service providers and other real estate professionals with world-class technology, services and information.



## *Shifting Risk in Uncertain Times*

*An innovative risk management program  
designed to protect reliance collateral,  
improve credit quality, reduce capital  
requirements and improve liquidity.*



For more information, please call **619-744-4410** or visit [www.uccplus.com](http://www.uccplus.com)



## Today's Market:

- Greater focus on credit quality
- A shifting economy
- Heightened regulatory scrutiny
- Expectations for financial performance
- Increased competition
- Relaxed underwriting standards
- Need for enhanced liquidity
- Importance of reliance collateral
- Reduced loan loss reserves
- New capital requirements

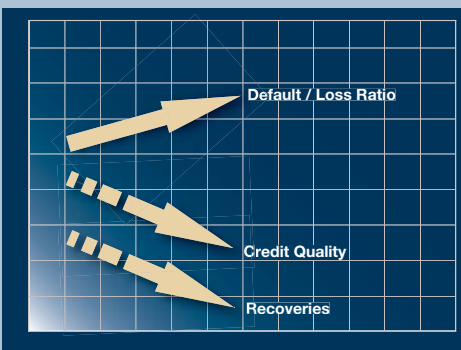
## Is the Credit Cycle at a Tipping Point?

### A Regulatory Perspective

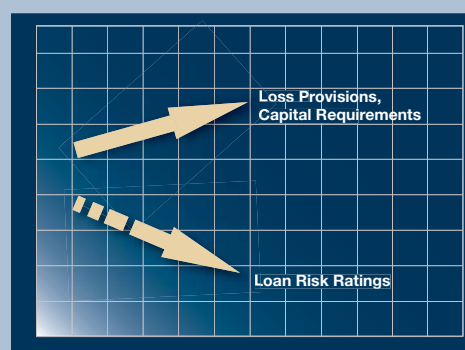
Bank regulators are voicing concern about the industry's exposure to risk. Excess capital in the market has created intense competition among banks and non-traditional lenders resulting in compressed risk and erosion of underwriting standards, thus exposing institutions to significantly higher levels of loss-given default should the economy worsen.

Loan concentration is a concern. Maintaining asset quality is critical. Examinations by the Regulators consistently focus on risk management techniques as a component of a bank's capital and liquidity plans. Lenders must demonstrate they can measure and manage risk in times of economic uncertainty and thus avoid the effects of "masked defaults". Unrecognized documentation defects in loans expose greater risk of default in a shifting economic cycle.

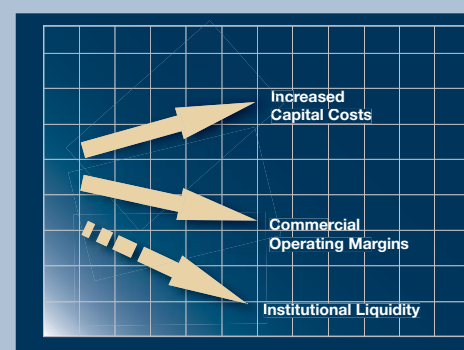
## Anticipating Risk in a Changing Business Climate



Credit Cycle Change



Regulatory Change



Institutional Change

## The UCCPlus

# Risk Management Program™

### Time-tested Title Insurance Emerges as a "Best Practice" Risk Management Tool for Secured Lenders

Managing change in an uncertain economic environment is the foremost challenge facing risk management professionals. The *UCCPlus Risk Management Program*, underwritten and produced by the *Fidelity National Financial* family of companies, is the first program to help senior credit and risk management professionals improve asset quality by insuring the bank's security interest in commercial loans.

### UCCPlus Permits Risk Managers to Shift the Possibility of Loss Due to Documentation Defects

*UCCPlus* provides nationwide protection for commercial loans secured by reliance collateral under Articles 8 and 9 of the Uniform Commercial Code. It permits the risk manager to shift risk related to the lender's security interest by providing insurance for validity, enforceability, attachment, perfection and priority. This new program replaces traditional legal opinion with a rigorous and disciplined underwriting process.

*UCCPlus* shifts the risk of loss due to documentation defects, failures to legally attach, failure of proper perfection and loss of lien priority. It protects lenders from fraud and forgery, search office errors and omissions, indexing inconsistencies and financing statement inaccuracies.





## UCCPlus Best Practice Risk Management Program

### UCCPlus Provides Better Protection

With pressure mounting to improve asset quality in the face of economic and credit market uncertainty, risk management professionals can turn to *UCCPlus* to insure their institutions' security interests in commercial loans.

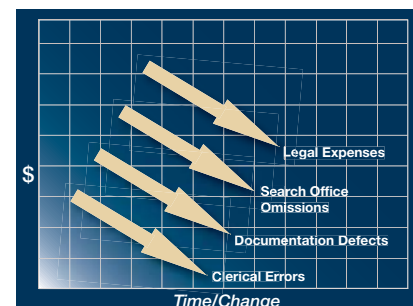
By providing an insurance product that relies upon a thorough underwriting process, *UCCPlus* offers greater legal protection over the limited indemnification of UCC search and filing vendors and the qualified opinion of outside counsel relative to perfection and priority. *Greater protection means lower operational risk, which in turn can yield improved margins and institutional liquidity.* Because it provides life-of-loan protection, *UCCPlus* improves the credit quality of the loan and enhances its value as an asset to secondary market investors. Better protection that also yields improved institutional and regulatory performance: a strategy for insuring the future in a time of economic uncertainty.

### We Make It Easy

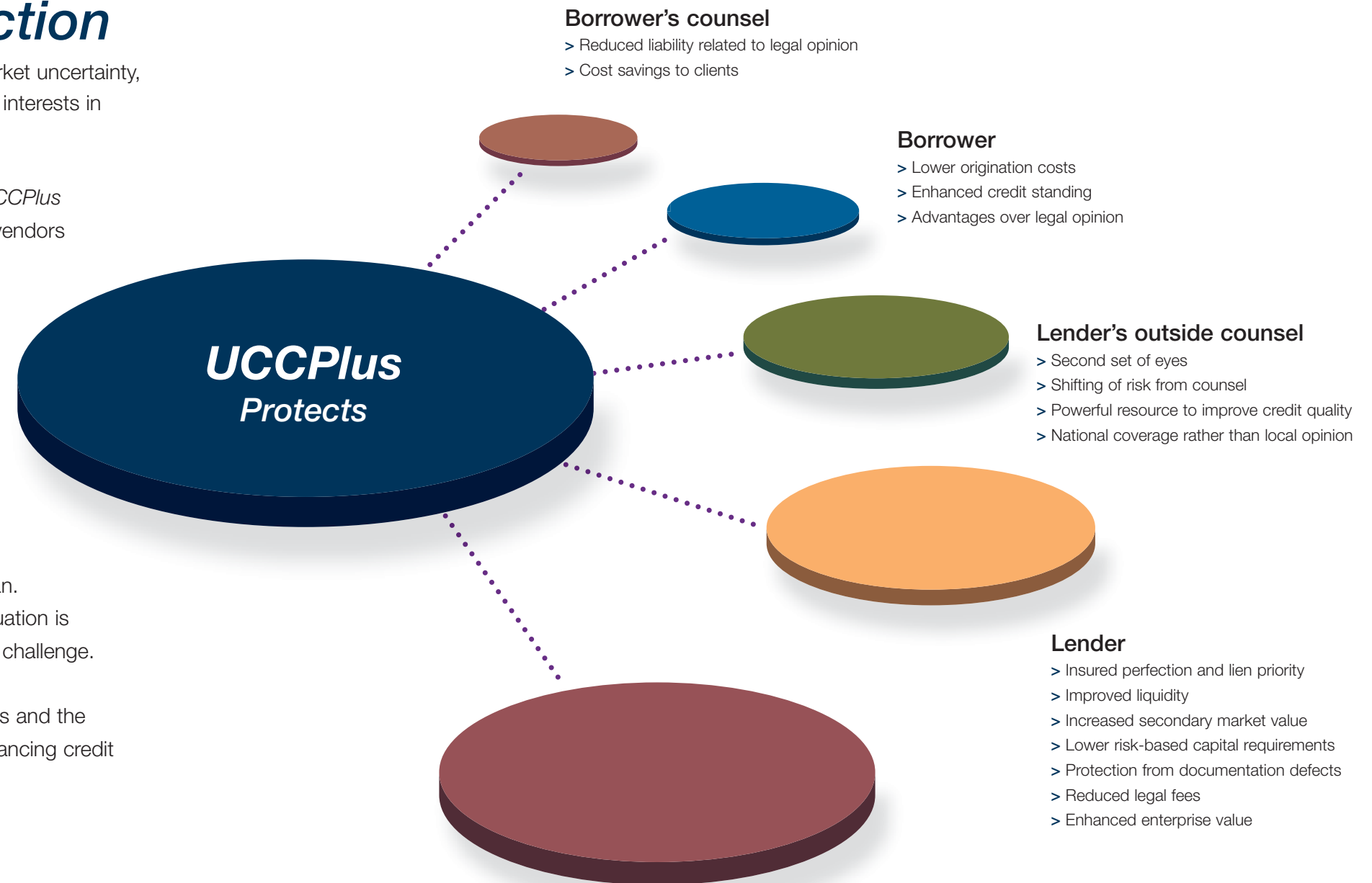
Order *UCCPlus* protection using a single form. We search, file, and insure attachment, perfection and priority of your security interests in reliance collateral for the life of the loan. *UCCPlus* includes searching, filing, GAP coverage and assignability. Tracking for continuation is also available. We insure the result and provide for the cost of defense in the event of a challenge.

You receive comprehensive protection from a single provider with time-tested credentials and the capacity to provide timely and responsive service in shifting risk, reducing cost and enhancing credit quality. It's that simple.

### UCCPlus as a Risk Management Tool



The *UCCPlus Risk Management Program* reduces expenses, errors and defects while, at the same time, gives you the benefits of shifting risk, lowering cost and enhancing credit quality.



#### Borrower's counsel

- > Reduced liability related to legal opinion
- > Cost savings to clients

#### Borrower

- > Lower origination costs
- > Enhanced credit standing
- > Advantages over legal opinion

#### Lender's outside counsel

- > Second set of eyes
- > Shifting of risk from counsel
- > Powerful resource to improve credit quality
- > National coverage rather than local opinion

#### Lender

- > Insured perfection and lien priority
- > Improved liquidity
- > Increased secondary market value
- > Lower risk-based capital requirements
- > Protection from documentation defects
- > Reduced legal fees
- > Enhanced enterprise value

#### Senior credit manager and risk officer

- > Anticipate change
- > Eliminate uncertainty
- > Shift risk
- > Reduce costs
- > Improve credit quality
- > Enhance regulatory performance
- > Improve margins



## Risk Management Protection for:

- Mezzanine financing
- Mixed collateral loans
- Asset-based loans
- Asset-backed securitizations
- Project financing
- Working capital loans
- Loan sales
- Conduits and syndications

### The Advantages of *UCCPlus* vs. Legal Opinion

Major-market loan transactions involving Article 8 and 9 security interests have historically relied on legal opinion as to the nature of the lender's rights in UCC collateral, a limited interpretation that represents liability to outside counsel. Here are the advantages of the *UCCPlus Risk Management Program*.

	<u>Legal Opinion</u>	<u><i>UCCPlus</i></u>
1. Supported by published independent financial strength rating and claims reserve.	No	Yes
2. Protection as to legal costs to defend a challenge to a lender's security interest.	No	Yes
3. National coverage for multiple jurisdictions.	No	Yes
4. Indemnification as to loss of collateral due to improper attachment, perfection or priority of lender's UCC security interest.	No	Yes
5. Coverage as to lender priority, including "gap period."	No	Yes
6. Coverage as to search report inaccuracies, errors and omissions.	No	Yes
7. Coverage as to filing office errors and omissions and financing statement inaccuracies.	No	Yes
8. Coverage against documentation defects.	No	Yes
9. Protection against fraud and forgery.	No	Yes
10. Coverage as to authenticity and authority of document signatories.	No	Yes
11. Protection as to proper attachment, perfection and priority.	No	Yes
12. Protection for life of loan benefiting original lender and successors-in-interest.	No	Yes



#### Fidelity National Financial Family of Companies

Fidelity National Financial title brands include Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title.

## A Heritage of Innovation

Recognized as leading providers of real estate title insurance and related services, the Fidelity National Financial family of companies applies a unique mix of experience and innovation to insuring the security interest in commercial loan assets for attachment, perfection and priority.

There are important parallels between *UCCPlus* and title insurance: Both insure risk relative to perfection, insuring the lender's lien priority, and both eliminate defects in documentation, providing the foundation for the safe transfer of assets.

As title insurance improves the liquidity of real property loans, opening the door to capital from a diverse investor market and forming the world's largest debt market, so too can *UCCPlus* create greater liquidity for lenders and investors who participate in commercial lending.



Call 619-744-4410 or visit [www.uccplus.com](http://www.uccplus.com)



Title insurance is a time-tested concept, and now *UCCPlus* insurance is a risk management tool available to secured lenders.

