



February 17, 2012

New Hampshire Department of Justice
Office of the Attorney General
Consumer Protection and Antitrust Bureau
33 Capitol Street
Concord, NH 03301

Dear Sir/Madam:

DHI Mortgage Company, Ltd has reason to believe that the integrity of certain consumers' personal information may have been compromised due to a security breach of the DHI Mortgage Loan Prequalification Website. On the evening of Friday, February 10, 2012, DHI Mortgage became aware that a software security breach by unknown external sources occurred in its Internet Loan Prequalification System.

Upon identifying the security breach, DHI Mortgage has taken immediate steps to remedy the breach by isolating the affected server, purging certain affected files and modifying our electronic security measures to address this specific issue. We believe at this time that only the data provided by consumers during the online prequalification process with DHI Mortgage could have been compromised. At the time of prequalification, information consumers provided may have included, but is not limited to: name, date of birth, contact information, marital status, social security number, employment and financial information (including income, asset and liability information).

We are also notifying consumers of the breach and we continue to investigate the matter. The number of affected consumers in New Hampshire that we are notifying is 101. A sample notification letter is attached.

We note that DHI Mortgage does not have offices in, or make mortgage loans secured by property in, New Hampshire, and, consequently, is not a licensed mortgage lender in New Hampshire. However, DHI Mortgage has information pertaining to certain New Hampshire residents in its system likely because such individuals may have moved to New Hampshire after providing this information to DHI Mortgage or because such individuals who now live in New Hampshire applied for a loan in connection with a property that is located in a state where DHI is licensed.

Sincerely,

A handwritten signature in black ink, appearing to read "J Hedgepeth". The signature is stylized with a large, looping initial "J" and a cursive "Hedgepeth".

Jennifer Hedgepeth
DHI Mortgage
V.P./National Operation's Manager

cc: New Hampshire Banking Department

<<DATE>>

<<BORROWER>>

<<ADDRESS>>

Dear <<BORROWER>> (Sample Mr. Jones / Ms. Smith),

We have reason to believe that the integrity of your personal information may have been compromised due to a security breach of the DHI Mortgage Loan Prequalification Website. On the evening of Friday, February 10, 2012, DHI Mortgage became aware that a software security breach by unknown external sources occurred in its Internet Loan Prequalification System. Upon identifying the security breach, DHI Mortgage has taken immediate steps to remedy the breach by isolating the affected server, purging certain affected files and modifying our electronic security measures to address this specific issue. Only the data you provided during your online prequalification process with DHI Mortgage could have been compromised. At the time of prequalification, information you provided may have included, but is not limited to: name, date of birth, contact information, marital status, social security number, employment and financial information (including income, asset and liability information).

DHI Mortgage has already contacted law enforcement and implemented revised online security measures as we continue to investigate the matter. As a precautionary measure, we are sending you this notice so that you can take steps to prevent or limit identity theft or any other harm that could result from the potential misuse of your information. It is important for you to take the steps described in this letter.

We recommend that you contact any one of the three major credit bureaus and place a "fraud alert" on your credit file. A fraud alert tells creditors to contact you before they open any new accounts or change your existing accounts. As soon as one credit bureau confirms your fraud alert, the others are notified to place fraud alerts on your credit file. Each of the credit bureaus will send you a credit report free of charge, for your review. For your convenience, we are providing you with the toll-free telephone numbers and website addresses of the three major credit bureaus:

Equifax
P.O. Box 105873
Atlanta, GA 30348
800-525-6285
www.equifax.com

Experian
P.O. Box 2002
Allen, TX 75013-2002
888-397-3742
www.experian.com

TransUnionCorp
P.O. Box 1000
Chester, PA 19022
800-680-7289
www.transunion.com

You may also contact the credit bureaus listed above or the Federal Trade Commission ("FTC") for information about security freezes. Please see below for the FTC's contact information.

Even if you do not find any suspicious activity on your initial credit reports, the FTC recommends that you check your credit reports periodically. Victim information sometimes is held for use or shared among a group of thieves at different times. Checking your credit reports periodically can help you spot problems and address them quickly.

If you find suspicious activity on your credit reports or have reason to believe your information is being misused, you should:

- (a) Call your local Law Enforcement office and file a police report. Get a copy of the police report. This is important because many creditors want the information contained in the police report before determining that you are not responsible for the fraudulent debts; and
- (b) File a complaint with the FTC at www.ftc.gov/idtheft or at 1-877-ID-THEFT (438-4338). Your complaint will be added to the FTC's Identity Theft Data Clearinghouse, where it will be accessible to law enforcers for their investigations. Additional contact information for the FTC is as follows:

Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580
<http://www.ftc.gov>

By utilizing the following link: <http://www.ftc.gov/bcp/edu/pubs/consumer/idtheft/idth04.pdf> you will be directed to an online copy of "Taking Charge: What To Do If Your Identity Is Stolen," a comprehensive guide from the FTC to help you guard against and deal with identity theft. You may also request from us a hard copy of this comprehensive guide by calling the number provided below.

Residents of North Carolina may also contact the North Carolina Attorney General's Office for additional information about preventing identity theft. The contact information for this office is as follows:

Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
Telephone: 1-877-5-NO-SCAM or (919) 716-6000
<http://www.ncdoj.gov/>

Residents of Maryland may also contact the Maryland Attorney General's Office for additional information about preventing identity theft. The contact information for this office is as follows:

Office of the Attorney General
200 St. Paul Place
Baltimore, MD 21202
1 (888) 743-0023 or (410) 576-6300
<http://www.oag.state.md.us/index.htm>

If you have any questions regarding this matter, please contact one of our Compliance Specialists toll free at 1-866-883-5556.

Sincerely,

DHI Mortgage