Washington Land Title Association

For Land's Sake

Issue No. 6 September 2013

President's Message

Derek Matthews

I've known for about a year that I would be the President of the Washington Land Title Association for 2013-2014. That should have been plenty of time to prepare myself for the additional responsibility of leading this great organization. Yet, as I was traveling to be sworn in at the 5-State land title convention in Portland in August I was feeling greatly unprepared; so much so that I tried to develop a last-minute exit strategy. But given that there is no tradition of abdication at the WLTA, I now find myself President.

In normal times I don't think I would be so nervous about leading the WLTA. However, the challenges the title industry will face in Washington State this year are anything but normal. First, in October we will likely see the final version of the new Closing Disclosure form (replacing the HUD-1) and the final rules implementing the form. The final rules will almost certainly require that the Closing Disclosure be provided three days ***prior*** to closing. In addition, the rules will likely require that the Closing Disclosure be redone (and the three day waiting period re-triggered), when there are any significant changes to the numbers on the Closing Disclosure. There will be a lot for the title and escrow industry to learn and adapt to, and the new rules will have the potential to greatly alter the relationship between lenders and settlement service providers.

The title industry in Washington is also still trying to understand the impact of the recent Supreme Court decision holding that a title insurance underwriter is liable for the marketing conduct of its independent agent. Will the ruling be limited to marketing conduct, or will the Office of the Insurance Commissioner ("OIC") try to make underwriters liable for all of their independent agent's conduct, including their escrow operations? Will creative plaintiff's lawyers use the court's decision to try to hold an underwriter responsible for an independent agent's employment practices? If the OIC views the Supreme Court's decision broadly, we could see dramatic changes in the relationships between underwriters and agents.

Finally, this fall the OIC will be drafting rules to implement the new Statistical Data Agent statute. The statistical data agent will collect expense data from independent agents and direct operations of underwriters to determine whether premiums charged to the consumer are fair in light of those expenses. The OIC's rulemaking will address how the costs of the data agent program are to be split between and among agents and underwriters, and how the expense data is to be reported to the data agent and used by underwriters to set premium rates. During their rulemaking the OIC is also likely to consider several other issues, including mandatory cancellation fees and a move away from traditional rate structures where premiums increase with liability.

Even though I'm nervous about leading the organization through the coming year, I am thankful that my background and experience (I have been in the industry for 13 years and specialize in compliance and regulatory issues) are a good fit for the challenges before us. We will providing you with updates on events through our newsletters and other communications, and I welcome your suggestions on how the WLTA can better serve you and the rest of the title insurance industry.

Inside This Issue

CONVENTION REPORT

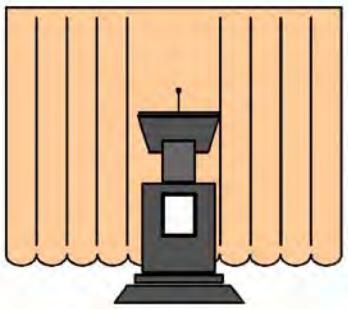
2013 PNW Land Title Convention

By Maureen Pfaff

The Land Title Associations of Washington, Oregon, Idaho, Montana, and Utah convened in the beautiful city of Portland Oregon August 15th through 17th for three days of meetings and networking. Work sessions covered various topics including E-Recording, ALTA Best Practices Certification Requirements, the CFPB and discussions of Agent issues, claims and economics. The Washington Land Title Association was well represented through presentations on Claims by Mike Custer, ALTA Best Practices by Bill Ronhaar and Agent Issues panel discussions that included Matt London, Chuck Trafton and Bill Ronhaar.

The WLTA also held its Board and Annual Meetings on Thursday, open to all members. (See information about the Bylaws and other Association actions elsewhere in this Newsletter.)

As an Agent, I always come away from these meetings with new insights into current issues facing our industry and more tools for running my business successfully. There were frank discussions between Agents and Underwriters regarding the implications of the recent WA Supreme Court ruling on Chicago Title v. WA OIC. The updates on the ALTA Best Practices and the CFPB were helpful as we are all working to position our businesses for continued success in a shifting environment.



It wasn't all work of course; there were many opportunities for informal networking during the Icebreaker Reception at the Lan Su Chinese Gardens and during lunch and breaks. For the golfers, Friday morning included a tournament at the Pumpkin Ridge Golf Club and that evening we all came together to enjoy the banquet and awards dinner.

I would encourage anyone who hasn't taken the time to attend a convention to give serious thought to attending next years event set for July 10-12, 2014 at Suncadia Lodge in Cle Elum, WA. Taking a few days to step away from the day to day of running your business and look at the larger environment in which we all must function can lead to new insights. Hearing from those who are leading the charge to make sure our industry is understood and valued for the important work we do will leave you with a renewed sense of purpose and pride in our industry. Getting involved in the work being done to safeguard the future of our industry will benefit all of us.

It's not too early to start planning for next year's convention. Washington will host the 5 State Land Title Convention in 2014, at Suncadia Lodge in Cle Elum. The central location will make it easy for WLTA members to get there, and easy access for our visitors from Oregon, Idaho, Montana and Utah.

SAVE THE DATE!

July 10-12, 2014

Let's show our visitors what good hosts we are and welcome them to the beautiful State of Washington.

- **Industry News**
- **Renew Friendships**
- **Education**
- **Relax - it's not all Work!**

Check out the location:

http://www.suncadiaresort.com/

More information will be available as the date approaches. Keep an eye on the WLTA web page.

SEMINARS

Wenatchee Seminar a Success

By John Martin, Chair—Education Committee

The WLTA held the first of two fall seminars in Wenatchee on September 7. Over seventy title and escrow professionals heard interesting and helpful presentations on a wide range of topics, including CFPB developments, changes in forms, underwriting easements, lenders' closing instructions and how to get the most out of their underwriter. The escrow folks earned 6 credit hours (including 2 liability credits) for their continuing education requirements. Combined with the great program were a tasty breakfast and lunch as well as some energy boosting mid-day snacks. What a great value - only $95 for members and $160 for non-members.

Speakers from within the title industry and related legal and escrow fields offered their valuable expertise to add to the knowledge and skills of title and escrow people, in Eastern Washington and are to be thanked for taking time to help in this way.

The second of the seminars will be November 2 at the Everett Convention Center. Upwards of 200 are expected. See the agenda - and the cost is the same great deal! Come and hang out with some great title and escrow people, hear what is new on timely topics, eat some good food and get LPO credits.

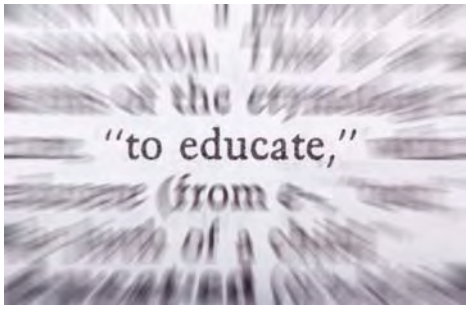
We look forward to seeing you there!

Highlights of 2013 WLTA Board & Annual Membership Meetings

Highlights of annual & board meetings held August 15, 2013, in Portland include:

- The OIC's hiring of a statistical agent to analyze rates, the deadline for reports from agents and underwriters, and the cost to all WLTA members
- The Title Action Network (TAN) - A convenient, painless and effective way for individuals to participate in the legislative process (see more about TAN in this Newsletter)
- How WLTA might help its members deal with customers who push against the OIC marketing rules
- Your Legislative Committee in action - this Committee is the most active and potent tool that the WLTA uses to track what's happening in Olympia; and what the WLTA will submit in the upcoming legislative session - and what we expect from others
- How to improve the WLTA webpage

The next Board meeting is scheduled for Wednesday, October 16, 2013, at 818 Stewart St, Seattle. Contact George Peters (execdirector@wltaonline.org) for more information.



THERE IS STILL TIME TO REGISTER FOR EVERETT!

Register now at the WLTA Website:

http://www.wltaonline.org/

Here is the agenda for the Everett Seminar (with probably LPO credit):

Developments in Electronic Recording
ALTA Best Practices
Easements & Access
Recent Developments in RE Forms and Case Law
Get the Most out of Your Underwriter
Recent Foreclosure Cases
Lender Closing Instructions
Commercial Transactions
Escrow Regulatory Matters
Community Property Developments
CFPB Matters - to You
Claims

Remember - it's for title *and* escrow people, and application submitted for LPO credit for *all* sessions (6 hours total - including 2 liability hours)

ESCROW CORNER

The CFPB - What it means to you

By Derek Matthews

The Consumer Financial Protection Bureau ("CFPB") is expected to issue final rules in October that will greatly impact how real estate transactions are closed. The CFPB, which now has authority for enforcing the Real Estate Settlement Procedures Act ("RESPA"), issued draft rules last year that propose replacing the HUD-1 with a new document called a "Closing Disclosure." The Closing Disclosure is essentially a combination of the final truth in lending disclosure provided by lenders and the current HUD-1, but reorganized and rewritten so as to be better understood by consumers. It is not expected that the final rules will vary significantly from the draft rules.

Besides changing the HUD-1, the proposed rules make several other significant changes:

- Unlike the HUD-1, which is provided at closing, the new closing disclosure form must be received by the consumers at least ***three days PRIOR*** to the "consummation of the transaction." The proposed rules do not specify whether "consummation of the transaction" means when documents are signed or when they are recorded.
- The proposed rules say that the closing disclosure is presumed to be received by the consumer three days after its mailed, sent by overnight delivery, emailed or faxed. While this period can be shortened by hand delivery or by establishing actual receipt of the disclosure earlier than the 3 day period, often this will mean a six day period between escrow sending the closing disclosure and the consummation of the transaction.
- The proposed rules give the lender the option to either prepare and deliver the closing disclosure themselves, or sharing the preparation and delivery responsibility with escrow. Thus, we could find some lenders demanding that we provide them with the typical HUD-1 items so they can prepare the Closing Disclosure and provide it to the consumer.
- With some minor exceptions, under the proposed rules, if there are changes in the figures listed on the Closing Disclosure between the time the disclosure is provided to the consumer and the date of closing, then a new Closing Disclosure has to be prepared and delivered to the consumer (re-triggering the 3 day waiting period after receipt of the new disclosure).

For More on the CFPB, attend the WLTA 2013 Education Seminar in Everett - November 2
To register:
http://wltaonline.org/

Department of Redundancy Department

WHAT WE *REALLY* MEAN IS...

Seen in a commitment, which included the inspection results for an extended coverage policy:

We find no judgments or United States Internal Revenue liens against Buyer to come.

Well, how many entries did Soundex (*raise your hand if you remember Soundex*) come up with under the letter "B"? Or did the examiner run the last name as "Come"? Obviously, someone is asleep at the keyboard.

More from the ESCROW CORNER

NWMLS Form 22C

By Chris Osborn, Foster Pepper
Counsel, Northwest Multiple Listing Service and
Commercial Brokers Association

The Northwest Multiple Listing Service has modified its Payment Terms Addendum (Form 22C). The form was published on August 15th and will likely be seen in most seller-financed transactions. Key revisions address recent changes in law limiting a seller's eligibility to finance the sale of real property to be used as the buyer's principal dwelling. Other changes relate to attorney review and making the form more consistent with the applicable Limited Practice Board ("LPB") forms.

New Federal Rules

The Consumer Financial Protection Bureau ("CFPB") issued rules concerning mortgage markets pursuant to the Dodd-Frank Act. One rule clarifies the definition of "loan originator" and outlines conditions under which "seller-financers" of residential properties are exempt. The rules apply only to sale the buyer intends to occupy as his principal dwelling.

For a seller to finance a sale and not be considered a "loan originator" subject to comprehensive regulation, the seller and the loan must meet the following requirements:

- The seller must be a natural person, estate, or trust (and not a loan originator);
- The seller must not have financed the sale of another property within the past 12 months;
- The seller must not have constructed or acted as a contractor for the construction of a residence on the property in the ordinary course of the seller's business;
- The repayment schedule must not result in a negative amortization; and
- The financing must have a fixed rate of interest or an adjustable rate of interest that is adjustable after five or more years, subject to reasonable annual and lifetime limitations on interest rate increases.

Form 22C has been revised to incorporate these new requirements. (Note that there is another federal exemption for sellers to finance up to three sales per year but the requirements are quite burdensome and beyond the scope of Form 22C.)

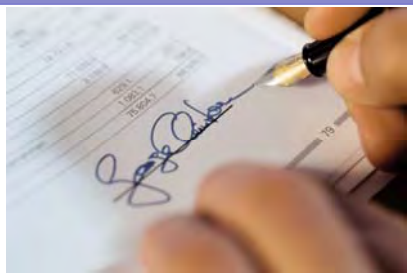
Washington State Requirements

In Washington, there is no automatic statutory exemption. However, the Act gives the Director of the Department of Financial Institutions ("DFI") the authority to waive the licensing provisions. See RCW 31.04.025(3). Thus Form 22C has also been revised to require the seller to obtain a waiver from DFI.

Other Revisions to Form 22C

NWMLS made other revisions to Form 22C that include the following additions and changes:

- A general provision regarding LPB forms (Section 1(C)) and making clear that the LPB forms attached should not be executed.
- Mandatory attorney review for any changes to Form 22C or any of the attached LPB forms (Section 1(D)) to protect both the parties and the brokers from potential drafting errors.
- A provision that the buyer may not further encumber the property (Section 1(E)). This is a relatively typical provision that NWMLS deemed appropriate to make standard.



- Provisions dealing with down payment, payments to seller, and assumed obligations now separated for ease of understanding.
- Additional options for timing of installment payments (to parallel those in LBP forms) (Section 3 (A)).
- A provision confirming that the buyer may prepay the note without penalty (Section 3(A)(vi)).
- Revised provisions to allow the seller total discretion in reviewing the buyer's finances (Section 5 (B)).
- Revised provisions regarding title insurance. The form now provides that the buyer pays for an extended lender policy only if the cost does not exceed the cost of a standard policy by more than 10% (Section 5(C)).

Conclusion

Form 22C is more user friendly than ever. Escrow should note the changes, particularly the "no further encumbrance" requirement and the title insurance provisions.

For More on this form and related Realtor® issues affecting escrow officers, hear Chris at the WLTA 2013 Education Seminar in Everett, November 2
To register:
http://wltaonline.org/

LEGISLATIVE REPORT

WLTA Gets Relief for Missing Recons

By Dwight Bickel, Co-Chair, Legislative Committee

You probably know that the Washington Legislature passed a new law that helps escrow companies to get reconveyances from lenders after payoffs. This short article is a simple explanation about what the new law allows escrow companies to do if the lender does not properly process a reconveyance after the lender was paid in full.

Let's agree upon terms: "Lender" is the same as "Beneficiary," "Mortgage" is the same as "Deed of Trust," and "Reconveyance" includes both the Lender's "Request for Reconveyance" and the Trustee's "Deed of Reconveyance." "Payoff" is a full payment of the amount of the indebtedness the Lender claims due as a condition of the Reconveyance. An "Escrow Agent" means an escrow company, a title company or an attorney, if licensed by the respective authorities in Washington.

The "new law" was an act of the state Legislature (called **S**enate **S**ubstitute **B**ill 1435) that created two new subsections of a prior statute (section 61.24.110 RCW) that became effective July 28th.

Please keep in mind that the new law does not change the procedures used by Lenders for Reconveyance. Lenders will continue to process a Reconveyance the way they have been doing it. Section 61.16.030 RCW says that Lenders must "acknowledge satisfaction of the mortgage" within 60 days after Payoff. The problem was, *and will continue to be*, that sometimes Lenders do not process a Reconveyance leaving that mortgage on the title records.

The next important thing to remember is that the new law does not require Escrow Agents to do anything. The two new sections allow an Escrow Agent to have new powers. The escrow companies will decide what powers to use, what employees will be authorized to use them, what procedures to follow, what forms to use, what the customer requirements will be and what fees to charge for the duties the escrow agent chooses to accept.

Two new forms have been developed to take advantage of this new authority. Samples accompany this Newsletter

Section 61.24.110 (1) was in the statute before. It continues to require a Trustee to Reconvey (a) when the Lender provides a written request or (b) upon "satisfaction of the obligation" when "the party entitled thereto" provides a written request. That subsection has always required the Trustee to Reconvey at the request of a borrower or purchaser, but Trustees have done that on very rare occasions.

The first new Escrow Agent power is described in section 61.24.110 (2). It simply authorizes the Escrow Agent to act as the agent of the Lender, as agent for the borrower or as agent of the purchaser, to directly request the Trustee to Reconvey. If the Lender has not processed the Reconveyance within 60 days after the Payoff, then the Escrow may send a written request to the Trustee with proof of the Payoff. A proposed form for the request is attached.

The second new Escrow Agent power is described in section 61.24.110 (3). This does not require cooperation of the Lender or the Trustee. If the Lender has not processed the Reconveyance within 120 days after the Payoff, then the Escrow Agent may record a Declaration of Payment. A proposed form for the sworn Declaration is attached. This must be mailed to the Lender no later than two days after recording. The Declaration should be mailed to all known addresses of every Beneficiary and servicing agent that appears of record, shown on the

(Continued on page 7)

(Continued from page 6)

Payoff, or otherwise known to the Escrow Agent.

If the Lender does not record an objection within 60 days, the Deed of Trust is legally extinguished as a lien on the title records. Future title reports should not show the old Deed of Trust or the Declaration.

Both those new Escrow Agent powers have the same basic requirements:

a. the Lender must directly provide its demand for Payoff,
b. the borrower must agree upon the amount and direct the escrow agent to send that Payoff,
c. the Escrow Agent must pay the Lender's Payoff demand, and
d. the Lender must fail to process the Reconveyance within 60 days.

The two subsections are independent. An Escrow Agent may use the power of (2) to request the Trustee any time later than 60 days of the Payoff. An Escrow Agent may use the power of (3) to record a Declaration of Payment any time later than 120 days after the Payoff. Note that the Escrow Agent may use the power to record a Declaration of Payment without first attempting the power to request the Trustee. Also note that the Escrow Agent is not required to wait 60 days after asking a Trustee to Reconvey before recording the Declaration of Payment.

The Washington Limited Practice Board was asked to adopt forms for the request and the statutory Declaration. However, its answer was that the statute provides authority to an Escrow Agent, not a Limited Practice Officer. Its letter clarified, "a Limited Practice Officer is not precluded from preparing the forms referenced in the statute so long as the forms are prepared in compliance with the statute."

Now we will discover how the various Escrow Agents will choose to use these new powers. The optimistic goal is that Escrow Agents will choose to assume responsibility to track the Lender's Reconveyance and will choose to use these powers until either the Trustee records a Reconveyance, or a Declaration of Payment is recorded without objection by the Lender. Title companies may begin to require the Escrow Agent to assume the duty to obtain a Reconveyance or to record a Declaration as a requirement to remove a Deed of Trust exception.

Escrow Agents who do not assume post-closing duties still might choose to act when notified the Reconveyance is missing. Notice might come from a borrower or a purchaser. Notice might come when disclosed by a new title search revealing a missing Reconveyance.

Another optimistic goal is that the companies who serve as Trustees will choose to accept direct requests by the Escrow Agents. The realistic truth is that Trustees have liability to the Lender and no obligation. The first power to directly request the Trustee will probably be useful when the Trustee is also a title insurer that has insured a purchaser or lender against loss due to that mortgage. When one company acted as the Escrow Agent, it may have to indemnify the Trustee that is another company to process a Reconveyance.

The Washington Land Title Association introduced the new law and worked on its passage for many years with assistance from the Escrow Association of Washington and support from the Mortgage Banker's Association. The goal was to ensure mortgages would be released from the land promptly after Payoff. Now the Legislature authorized these powers. Will the Escrow Agents use these powers so Deeds of Trust are Reconveyed even when the Lenders fail to do so?

JUDICIARY REPORT

This special report was prepared for the WLTA by Ryan, Swanson & Cleveland, an Affiliate member

Washington Supreme Court Holds Title Insurance Underwriter Liable for Regulatory Violations by Appointed Agent, Notwithstanding the Underwriter's Lack of a Right to Control

By Jerry Kindinger and Bryan C. Graff

On Thursday, August 1, 2013, the Washington Supreme Court held a title insurer vicariously liable for an underwritten title company's ("UTC") violation of prior statutory and regulatory anti-inducement provisions. The Court based its holding upon theories of statutory and implied authority. The case, *Chicago Title Insurance Company v. Washington State Office of the Insurance Commissioner*, No. 87215-5 (Wash. Aug. 1, 2013) (en banc), concerned alleged violations of former WAC 284-30-800, which generally prohibited the giving of things of value exceeding $25 on an annual basis to "middlemen" as an inducement to the placement of title insurance business.

The Court rejected the underwriter's reliance on the terms of its agency agreement with the UTC, which did not give the underwriter control over the UTC's marketing practices. The Court stated that "the insurance code creates a statutory standard of agency that agents and their principals cannot opt out of at their own discretion."

In a press release, Insurance Commissioner Kreidler called the decision "a big win for consumers," a conclusion questioned by Justice Johnson in dissent, who wrote that the majority's decision undermines the "bedrock principle" of freedom of contract and "will likely result in the reduced availability of

title insurance in rural Washington counties." The decision is likely to have significant implications in Washington beyond title insurance. .

Jerry Kindinger and Bryan C. Graff are attorneys in Ryan, Swanson & Cleveland, PLLC's Litigation Group. Bryan can be reached at 206.654.2278 or graff@ryanlaw.com. Jerry can be reached at 206.654.2216 or kindinger@ryanlaw.com.

This message has been released by the Litigation Group at Ryan, Swanson & Cleveland, PLLC to advise of recent developments in the law. Because each situation is different, this information is intended for general information purposes only and is not intended to provide legal advice on any specific facts and circumstances. Ryan, Swanson & Cleveland, PLLC is a full-service law firm located in Seattle, Washington.

WLTA

WLTA BYLAWS AMENDED

The WLTA adopted revisions to its Bylaws at its Annual Meeting on August 15, 2013. Highlights of the changes include:

- Update the existing provisions of the bylaws and make sure all provisions are internally consistent.
- Clarifying of how Board and other committees meet.
- Clarifying language for Section headings.
- Clarifying the president's authority to appoint new or replacement directors mid-year.
- The bylaws have always provided for an Agent's Committee, intended to allow agents to separately address issues of importance to the agents. The revised bylaws renames this the Agent's Section and creates (but does not mandate) a similar section for underwriters.
- Provisions are added that address electronic voting and notices, including time limits and the effective date of votes taken electronically.
- Clarifying that proxies can be given by members, but only to individuals, and that the holder of the proxy need not be an employee of the member giving the proxy.
- Clarifying member voting. There is one vote per county where a member writes title insurance or has an escrow office. While the bylaws do not specify who can cast a vote for a particular county, the bylaws will allow the corporate member to designate a person who can cast votes. (The Executive Director will maintain records of office managers or other designated voting authority.)

The revised bylaws which will be sent to all WLTA members and are available by contacting George Peters at execdirector@wltaonline.org.

The whole wide world in someone's hands...

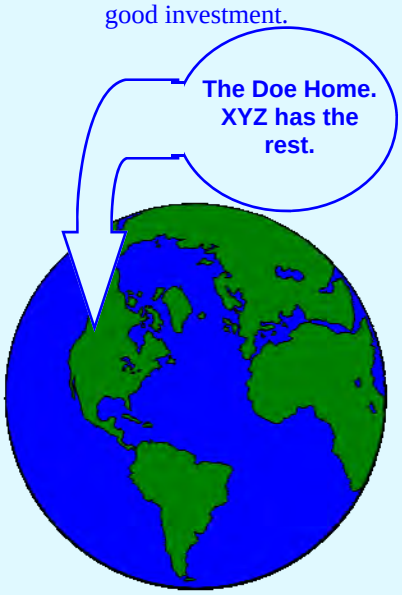
The legal description:

Lot 1, Block 1, Plat of Plats, in Volume 1, page 1, records of Nulluslocus County, State of Confusion.

The vesting:

XYZ Corporation, a State general partnership, as to that portion of said premises not included in Lot 1, Block 1, Plat of Plats, and in John Doe and Jane Doe, husband and wife, as to the remainder.

How would you like to be a stockholder in XYZ? It would be a pretty good investment.



Etymology and Title Insurance

"a cœlo usque ad centrum"
[ā se´low üs´kwe ad sen´trum]

Anyone who has been in the title business any length of time should know this one. When we learn about "land" what do we remember about the extent of ownership? That's right – "from the heavens to the center of the earth." The owner of the soil owns to the heavens and also to the lowest depths. *From Black's Law Dictionary*

Is there something odd about that recorded document? Send it in!

execdirector@wltaonline.org

ALTA

GET TAN TODAY!

By Brenda Rawlins

The Title Action Network (TAN) is an energized movement of title professionals promoting our industry's value while protecting homeownership rights. Our American Land Title Association (ALTA) launched TAN to communicate matters affecting each of us, and our customers, to the ***individuals*** whose livelihoods are connected to the title industry.

Joining TAN is **FREE** at http://www.alta.org/tan/joinForm.cfm and it's ***open to everyone*** in our industry! TAN provides brief, relevant alerts *(never spam)* regarding grassroots issues that impact all of us, at every level within our companies. Title professionals are uniquely positioned to experience many aspects of real estate transactions, which creates a lot of specialized knowledge. Sharing that knowledge is important to the legislative process and to our businesses.

The TAN organization expands our ability to easily communicate with legislators on federal and state-specific issues. Our policy makers pay attention to grassroots groups with strong membership and our voices truly count by simply joining TAN. From Washington State to Washington, D.C., elected officials make decisions that impact our industry, employees and customers. That's why it's vital to speak with one voice *(through TAN membership)* about the important role we play in the real estate process.

Some of the previous email alert TAN topics have pertained to the CFPB's proposed rule, tax reforms that could affect 1031 property exchanges, and particular Washington State matters that impact consumers who are buying a home or refinancing a mortgage. The messages are infrequent, and only arrive when changes are proposed or action is needed – they will not fill up your inbox.

An additional incentive to join TAN . . . Washington State registrants who sign up during September and October will automatically be entered in a ***raffle drawing for a $100 Amazon.com gift certificate***! The drawing will take place on November 6, 2013 and the winner will be announced in the next WLTA newsletter.

It's very easy to sign up – it takes just 60 seconds to join TAN at http://www.alta.org/tan/joinForm.cfm and keep up-to-date on matters that affect our industry. Once you have joined, please help us grow by inviting others in your office and professional network to join and have a stake in the future of our business and industry. Together, our membership and voices will make a difference!

GET TAN TODAY! at http://www.alta.org/tan/joinForm.cfm

If you have questions, or would like to learn more about the Title Action Network, please visit www.titleactionnetwork.com or contact Brenda Rawlins, TAN Committee Chair for the WLTA, at brawlins@firstam.com or 206-615-3024.

BUYER BEWARE THE BEASMENT

Reserved in an actual deed:
Reserving unto the grantors…, the right to operate a bee business on adjacent lot…, and on frequent occasions to have large trucks and machinery traveling along Honey Bee Lane, to have hives of bees on occasion placed within the vicinity of the warehouse buildings now located on Honey Bee Lane, and the perpetual right and easement to have related bee flights over the property herein conveyed. Grantee has agreed to waive all right to claims for damages that might arise relating to such bee handling activities and shall release and relinquish Grantors from any and all claims for damages to person or property that may result from such bee handling by Grantors…

Have you seen something that doesn't look quite right in a recorded document? Send it in!
The names will be changed to protect the guilty.

execdirector@wltaonline.org

ALTA

ALTA BEST PRACTICES

By Bill Ronhaar

The American Land Title Association (ALTA) created its "Title Insurance and Settlement Company Best Practices" (Best Practices) to help members highlight policies and procedures the industry exercises to protect lenders and consumers, while ensuring a positive and compliant real estate settlement experience. Best Practices was developed as an industry response to a regulatory environment that is holding lenders liable for the actions of their third-party providers. Rather than allowing individual entrepreneurial companies to "vet" each title insurance agent, for a fee, Best Practices was developed to convince lenders that any company certified to be compliant with Best Practices is responsible enough to be trusted to handle the lender's loan funds.

Best Practices is based upon 7 pillars of excellence. They are:

1. Establish and maintain current License(s) as required to conduct the business of title insurance and settlement services.
2. Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts
3. Adopt and maintain a written privacy and information security program to protect Non-public Personal Information as required by local, state and federal law allowing for electronic verification of reconciliation.
4. Standard real estate settlement procedures and policies that help ensure compliance with Federal and State Consumer Financial Laws as applicable to the Settlement process.
5. Adopt and maintain written procedures related to title policy production, delivery, reporting and premium remittance.
6. Maintain appropriate professional liability insurance and fidelity coverage.
7. Adopt and maintain written procedures for resolving consumer complaints

Within each "pillar" is a statement of purpose, along with procedures to meet the requirements of each best practice. ALTA has also furnished Assessment Preparation Workbooks for some pillars, and hope to have a workbook for all pillars before year end. The workbooks give you a step-by-step analysis of how your company is complying with every procedure within each pillar.

Once your company is "compliant" with each requirement within all seven pillars, you are ready for the certification process. They have also included a Certification Package explaining in detail how you become certified.

All of this information may be found in greater detail at www.alta.org/bestpractices.

American Land Title Association
Protecting the American Dream Since 1907

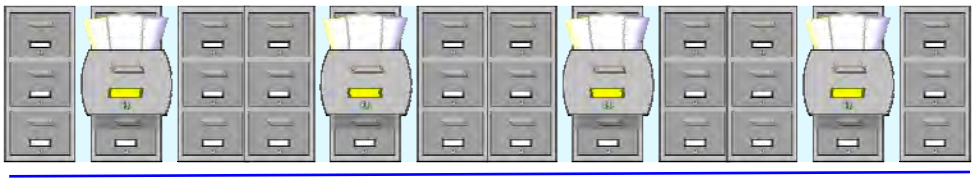
Is your company a member of the ALTA? It should be. Benefits of membership include:

1. Access to ALTA's Best Practices workbook & assessment
2. Access to the Patriot Act Search tool
3. Membership directory
4. Listing your company on the "find a local title company" search
5. Access to policy forms & related documents
6. ALTA® Industry & Information E-Newsletter
7. Title News, ALTA's magazine
8. Access to policy forms
9. Large & small agent meetings

http://www.alta.org/membership/

AMERICAN LAND TITLE ASSOCIATION

Washington Land Title Association
http://wltaonline.org
PO Box 328, Lynnwood, WA 98046 (mail)
6817 208th St SW, #328, Lynnwood, WA 98036 (deliveries)
Contact: George Peters
206-437-5869 (Mobile)
206-260-4731 (Fax)
execdirector@wltaonline.org



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