

# Education Is Powerful

## Build It – Believe It – Achieve It

The American Escrow Association held its 27<sup>th</sup> Annual Conference June 7 – 9, 2007 in Sparks, Nevada.

Thursday, June 7<sup>th</sup> started with a Meet the Candidates Brunch. The candidates for office had a chance to let the attendees know their commitment to AEA and give us a reason to vote for them.

Then the fun really started with Annual Business Meeting.

The meeting was called to order by President Kathy Alexander, CSEO from the state of Nevada.

The Credential Committee reported a total of 151 delegates in attendance. California had 48 credential delegates.

We adopted the Standing Rules – always an entertaining process at AEA. This year Eileen Bechtol, CEO/CSEO Past President of AEA from the State of Nevada read the Standing Rules with a flair uniquely her own.

The following reports were presented:

- ❖ Report of Board of Directors, Kathy Alexander, CSEO, President, Nevada
- ❖ Report of Treasurer, Charlotte Knoll, Treasurer, Arizona
- ❖ By-Laws Committee, Fran Butler, CSEO/CEI, Chair – we did pass some housecleaning by-laws amendments
- ❖ Membership Committee, Julie Best, Chair – 3400 members in 11 states and 25 associates from non-member states
- ❖ State Liaison, Alma Rushing, Chair
- ❖ Education, Ann Dunham, Chair
- ❖ Closing Practices, David A. Shean, CSEO/CEI, Chair
- ❖ PREP, Phyllis Yanagihara, CEO/CBSS/CMHS, Chair
- ❖ PRIA, Carolyn Marcial, CSEO/CEI Chair
- ❖ Symposium, Duskie Gramm, Chair
- ❖ HUD/IRS Regulatory, Arthur E. Davis, III
- ❖ Conference, Jodie King, SCREC, Chair
- ❖ Nominating Committee, Lois Mayabb, Chair
- ❖ Publication/Newsletter, Susan Reiman, CSEO, Chair

Next up, the elections. The slate was presented to the delegates and one by one the positions voted upon. The office of Secretary was the only office with more than one nominee after Duskie Gramm from Montana withdrew her name for consideration for the position of Third Vice-President. A caucus was called for during the voting for Secretary so the various state delegates could hear personal comments by the candidates and determine the best selection. The officers elected to serve on the AEA Board of Directors for the fiscal year of 2007-2008 are:

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- ❖ Frances “Fran” Butler, CSEO/CEI, California, President
- ❖ Ann Dunham, Nebraska, President-Elect
- ❖ Julie A. Best, Oregon, 1<sup>st</sup> VP
- ❖ Jodie King, SCREC, Colorado, 2<sup>nd</sup> VP
- ❖ Carolyn J. Marcial, CSEO/CEI, California 3<sup>rd</sup> VP
- ❖ Jyl Meier, CSEO, Oregon, Secretary
- ❖ Charlotte Knoll, Arizona, Treasurer

The only remaining business pertained to some Bylaws changes, mostly grammatical changes for consistency and the elimination of International Membership Category. There being no other business, the meeting was adjourned.

Immediately after the business meeting an Exhibitors Welcome Party was held – good networking.

Friday started with the traditional opening ceremonies. The state presidents march in carrying their state flag and for the first time the AEA flag was presented. Our own Phyllis Yanagihara, CEO/CBSS/CMHS was instrumental in its design and production. Thank you Phyllis!

Art Davis, AEA General Counsel/Executive Administrator, provided a **Federal Update**. He presented a slide show discussing the federal legislative process and the AEA involvement in the process including individual AEA member role in making a difference.

The IRS in January 2007 made changes to certification required to exempt principal residence sales from 1099-S report. Rev. Proc 2007-12; IRB 2007-4.

On June 13, 2007, the Federal Trade Commission just released a study on improving consumer understanding of the mortgage disclosure process. The key findings of the study not surprisingly are:

- Current mortgage cost disclosures failed to convey key mortgage costs to many consumers.
- Prototype disclosures developed for the study significantly improved consumer recognition of mortgage costs, demonstrating that better disclosures are feasible.
- Both prime and subprime borrowers failed to understand key loan terms when viewing the current disclosures, and both benefitted from improved disclosures.
- Improved disclosures provided the greatest benefit for more complex loans, where both prime and subprime borrowers had the most difficulty understanding loan terms.

A copy of the report and the sample disclosures can be viewed at

[www.ftc.gov/opa/2007/06/mortgage.shtm](http://www.ftc.gov/opa/2007/06/mortgage.shtm).

HUD continues RESPA enforcement cases with additional resources.

And AEA continues to build alliances with other trade groups.

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R. Scott Broshears, Supervisory Special Agent, Federal Bureau of Investigations, presented the next session, **Ongoing Anti-Mortgage Fraud Efforts and Special Agent Training Update**. Mortgage loan fraud is taking on a ‘collaborator’ / ‘criminal enterprises’ aspect. In 2006 over 35,000 mortgage fraud cases were reported. California is in the top ‘10’ Hot Spots.

The FBI is creating task forces to address this issue – they are working with the IRS, state, local and industry experts. More agents are being assigned to work mortgage fraud. AEA contributed to their training program.

The FBI has designed a mortgage fraud notice. It is available on their website:

<http://www.fbi.gov/pressrel/pressrel07/mortgagefraudwarning.pdf>

It was recommended that this notice might be printed by Settlement Agents across the nation and presented as a part of the signing package when a Borrower is signing their loan documents. Some Settlement Agents are adding signature and date lines to the bottom of the notice (**NO CHANGES may be made to the notice itself**)



The luncheon keynote speaker, Kim Bryson’s topic was entitled **Empowering Tomorrow’s Achievements – This Miracle Called . . . You**. She had some interesting ideas.

Ann Murray-Randolph, publisher of *lore Magazine* spoke on **Managing in Today’s Workplace: Generations and Cultures**. She addressed the different learning styles and work ethics of today’s workers from the Boomers (now ages 42 to 62), the GEN X (now ages 28 to 41) and the GEN Y (now ages 10 to 27).

The last session on Friday was a legal panel on **Ethics, Disclosure and Fraud**. The panel members were:

- Stephanie J. Shulman, Old Republic Title Company
- James L. (Jim) Gosdin, Stewart Title Guaranty Company
- Alan K. Brickley, First American Title Insurance Company

This was an excellent session and their presentation (and all presentations) will be available on the AEA website.

Some of the topics covered:

- Duties of escrow agent
- Failed or dubious lending institutions and your duty
- Neutral Agent as Power of Attorney
- RESPA and the Meaning of Life
- Money Laundering
- Closing Protection Letters
- Purchase loans disguised as a refinance

Friday night was Fran Butler’s big night. She and the other officers were installed. Fran’s installing officers were her husband and our very own Mike Belote. It was a fun evening.

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AEA awarded the first ever, “Earl G. Barrett Memorial Award” this year. There were four nominees submitted: David A. Shean, CSEO/CEI from California, Kathy Sullivan, SCREC/SCLC/CTIS from Colorado, Olga G. Macias, CSEO from Nevada and the winner Pat Baldwin, CSEO, Arizona State Escrow Association and a past AEA president. The Earl G. Barrett Memorial Award is given in recognition to one who embodies the spirit of AEA’s 1<sup>st</sup> President and Founding Father to educate and serve the settlement community as a whole. Congratulations Pat!

Saturday morning’s first session was a panel addressing **Uniform Closing Instructions: Today’s Reality**

David A. Shean, CSEO/CEI, California, served as the moderator.

The members of the panel were:

Nancy Barnette, Industry Relations Manger, Attorneys Title Insurance Fund, Florida

Ginger Bigelow, VP and General Manager, Beltway Title, Maryland

Duskie Gramm, General Manager, Western Title and Escrow, Montana

Peggy Valters, Regional Manager, Edina Realty, Minnesota.

Panelists discussed common problems with current loan documents as faced by settlement agents across the nationwide

Another excellent session.

Visit the AEA website for more information.

Mark Ladd, Managing Director of Addison One, LLC spoke on **eRecording & eNotary are here Today!**

Over 250 counties in 24 states and the District of Columbia accept some form of electronic documents for recording.

All states and DC have “in the presence of” requirement in their State notarial laws. The notarial seal continues to be a topic of discussion.

Visit the AEA website for more information.

The Luncheon Speakers on Saturday were Charles J. Kovaleski, Past President of the American Land Title Association and Bruce F. Wolf, Treasurer of the National Association of REALTORS®.

ALTA is celebrating its 100<sup>th</sup> anniversary this year. AEA has alliances with ALTA and NAR.

Billy Riggs, CMP presented the last session of the conference – **Positively Magical Service: Exploding the myths that hinder fabulous customer service**

Give your customers a ‘moment of magic’. One ‘moment of magic’ may tempt the consumer to use your services once or twice. You need to provide at least three (3) ‘moments of magic’ to keep and retain a customer and convert them to become a loyal customer...

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<b>M</b>	Missionary Attitude (caring and concern)
<b>A</b>	Advancement Attitude (change)
<b>G</b>	Go-the-extra mile Attitude
<b>I</b>	Integrity Attitude (NEVER – NEVER compromise)
<b>C</b>	Cheerful Attitude

Visit the AEA website for more information.

**A big thank you to all our Exhibitors:**

RBJ Computer Systems Inc.  
Softpro  
First American Exchange Company  
Central Signing Services  
SMS Corp  
DocPros, Inc  
Evergreen Note Servicing  
Lincoln Data, Inc  
Ramquest Software  
The Federation of Exchange Accommodators (FEA)

**A big thank you to all our sponsors:**

Old Republic Title  
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Arthur Davis III  
Union Bank of California, NA  
Oregon Escrow Council, Inc.  
Union Title Company  
Nevada Escrow Association  
Escrow Association of Nebraska  
Arizona State Escrow Association  
Central Oregon Chapter of OEC

**Please thank our educational partners:**

Stewart Title  
Old Republic Title

Mark your calendar and plan to attend next years conference:

June 12 – 14, 2008  
Hyatt Regency Capital Hill  
Washington, D.C.

*Give a Hand, Make a Difference*

Respectfully submitted by: Donna J. Inman, CSEO/CEI (EASGV) and  
David A. Shean, CSEO/CEI (EASGV, SCVEA and VCEA)