

California Escrow Association
March 16-17, 2007 Directors Meeting
Costa Mesa, CA

CEA News

The first edition of the 2007 CEA News is out, and our committee used the meeting to finalize the articles for the 2nd issue due out in May. We were also able to start on the 3rd issue, which means that we are really much farther along in the year and in great shape. We are still looking for good articles from all sources, and as always, looking for articles from outside sources.

A recommendation was given to the committee to publish tributes for certain people who have contributed tremendously to the Association but have never been recognized. We will get input from our members regarding these people and maybe interview them to round it all off. They are: Stan Reyburn, Rose Pothier and Bill Vance.

Finally, we reviewed and approved the strategic goals set out by the Executive Board for our committee, and although we approved them all, we had concerns regarding some of them, for instance, going “paperless” and contracting with a resident escrow attorney to write articles. Our concerns about the feasibility of both were given to one of our committee members who is also chairperson of the Governance Committee, which oversees the strategic goals. She will bring it up in her committee.

Lenders Relations

Committee chair, Dave Shean, brought us up to date on what is happening with the Universal Lender’s Instructions. A draft of the Instructions was given to ALTA, who are very positive about the issue and are conveying the same positive attitude to their members. Now we have the Mortgage Bankers Association, American Escrow Association, California Escrow Association and American Land Title Association involved. The next step is getting the Mortgage Brokers involved as a great deal of Lender fraud originates there.

Our ongoing goal is to post 10 Lender document problem issues on the website, together with their solutions. The following documents were reviewed:

- (1) Wells Fargo’s “Authorization to Closing Agent To Sign Affidavit of Affixation” – Recommend not to be signed.
- (2) Statement in Lender’s Instructions regarding requesting Escrow Holder to certify that there was no refinancing of the property or sale of the property within a certain period of time, and that Borrower’s downpayment came from Banks listed in his 1003 – Recommend not to be signed; Lender’s underwriting responsibility.
- (3) Aurora Loan Services request that in the HUD 800 Section we type in a statement that there could be future payments of yield spread to Broker – Recommend that we do not type this in as our HUD reports what is happening at closing and not in the future.
- (4) WMC letter requesting that we fax them a copy of our checks disbursement ledger – Recommended that we do not do so, as our HUD is our certification as to all the fees and costs paid in escrow and there is no need for a check register.

Other items of interest raised:

- (1) It looks like electronic docs signing and electronic notarizations will be coming soon.
- (2) One issue raised was if the Lenders had any position concerning excessive notary fees charged. Dave said that as the notary fees were not a part of the Truth In Lending disclosure, the Lenders are not looking into that nor do they care.

- (3) Regarding the Patriot Act and checking our clients names against the OAFCS D list, the Title Officers have been instructed to check every time a title order is opened, and it is not up to the Escrow Holders to do so.
- (4) Washington Mutual Bank will be issuing a new set of Lender's Instructions, to come out in a few months.

Our homework is to review, comment and approve the list that Dave will be putting together for the website and have it done by the next meeting in May.

Professional Designation Committee:

About 6 of us participated in the Friday afternoon session, in which proceeded to review the Bulk Sale PD exam and the CSEO PD exam for any corrections, changes and mistakes. Review of the Bulk Sale exam was completed and the CSEO exam was almost done. At every Friday Director's meeting this year we will be reviewing the tests.

At the committee meeting on Saturday the first issue of business was a report on the subcommittee formed in January to discuss the guidelines needed for CEA to issue a certificate for completion of Escrow I, II, III classes taught by private organizations or individuals other than a university, college or community college framework. The committee came up with the following general guidelines:

- (1) Instructor must hold CEI designation.
- (2) Escrow I, II, III or similar material to be used
- (3) CEA to approve or disapprove the syllabus, grade system and copy of all tests within 60 days
- (4) Report card to student to be issued with a letter grade
- (5) Minimum required time for classes to be 12 hours.
- (6) CEA reserves right to review, modify, amendment the guidelines at any time.

Other issues brought up:

Feasibility of taking part of PD exam on-line – one of the committee members will research on-line examinations offered by other professional organizations.

CEA Headquarters will have an "Electronic Credit Dispute4" form on the website for members to download for review of credits disputes. The committee emphasized that **the window period for getting credit for a class is 10 minutes into the class; so that even if the member barcode was scanned, if the time scanned exceeded class starting time by 10 minutes, no credit would be given.** In addition, regional PD chairs were reminded to send in to headquarters the electronic scanning results no later than 1 week after the event.

Respectfully submitted,

Juliana Tu, CSEO, CEO, CBSS, CEI
Junior Director