



## **EASGV Additional Director's Report**

### **David A. Shean, CSEO/CEI**

### **April 1 2009**

#### **COMMITTEE: CEA News**

The committee met on Saturday morning and reviewed the articles submitted for consideration and have agreed on the content for the upcoming 2<sup>nd</sup> Quarter Issue.

The committee is working very diligently on creating and/or acquiring new and important escrow processing and related articles for the members.

If you have recommendations or suggestions for articles or if you find articles in other trade organization materials that you think would be of interest to our members, please forward them to [David.Shean@EscrowEssentials.com](mailto:David.Shean@EscrowEssentials.com) or call Dave at 818-517-3750 with particulars.

#### **COMMITTEE: CEA's - AEA Committee**

Alma Rushing, Chair and Jan Cerasaro, our AEA Alternate Delegate led the committee meeting. We discussed the upcoming 2009 AEA Annual Business Meeting and Conference will be held in Sparks NV from June 4<sup>th</sup> thru June 6<sup>th</sup>. The Speakers and topics appear to be very worthwhile. California will have two members up for consideration for Executive Office at AEA this Year, Carolyn Marcial, CSEO/CEI is running for 1<sup>st</sup> Vice President and Alma Rushing is running for 3<sup>rd</sup> Vice President.

PREP: It appears that between 4 and 6 different counties will be moving into the electronic recordings in California this year. Los Angeles County is moving closer to implementation of electronic closings.

I reported on the current status of both the UCI's and RESPA to the committee:

- **Uniform Closing Instructions (UCI):** The MBA Closing Practice Committee is currently holding for the review of the current RESPA and TILA sub-committee to analyze & incorporate the effects of recent changes in the law as it pertains to the UCI's
- **RESPA:** I reported that AEA has asked Susan J. Reiman CSEO and AEA Past President from Oregon, to chair the newly formed AEA RESPA Working Group. The AEA RESPA Working Group is a grassroots effort organized for the benefit of practicing settlement agents. Objectives are to 1) Identify RESPA and TILA issues; 2) Gather questions and concerns; 3) Educate; 4) Collaborate with other like industry groups; 5) Seek and distribute written guidance from HUD and/or the Federal Reserve Board; and 6) Participate in Uniform Closing Instructions RESPA/TILA sub-working group.

These items continue to point out the importance of membership in your regional, state and national escrow associations. Without your support national and state legislators will promote positions contrary to your activities in Settlement Services and will go on unnoticed and our common day to day practices will be eroded.

#### **COMMITTEE: Forms and Practices:**

- The committee received copies of the new 2009 CAR forms. It was decided we would consult with our own company's legal departments for directions.
- We received a copy of a letter issued by the County of Riverside giving notice of rejection of Deeds in Lieu of Foreclosure unless accompanied by the appropriate affidavit, or declaration under penalty of perjury concerning transfer tax.
- I reported that after discussion with Countrywide Legal Counsel they have agreed to remove the following language from their Short Sale Demands: "There are to be no transfers of property within 30 days of the closing of this transaction. Escrow Instructions must contain a clause that if such a transaction takes place then the title/escrow company must notify (Countrywide
- A copy of the article issued in the Inman News on 4-20-09 was reviewed which indicated that some short sale payoff demands include a provision for the lender to submit the unpaid remaining balance to a collection agency during the next five years. The committee recommends that Seller's sign each and every page of a short sale demand. Some short sale payoff lenders have contacted the Owner and offered to do a loan modification instead of a short sale. There was a general discussion that a Buyer could have recourse under the terms of the contract, but that can be much easier said than done. The committee recommends collection of a deposit from the Seller as well as the Buyer.
- There was a general discussion concerning REO type properties not giving escrow adequate information concern HOA and/or water stock issues against the property. Some companies require the Realtors to sign a declaration affirming the existence or non-existence of these and other items.
- In Riverside County it has been discovered that certain 'special assessments' have been pulled out of the tax bill in order to initiate a foreclosure. The prelim will show a recording of a Notice of Intent to Remove Special Assessment from Taxes. Escrow must obtain a demand, and closely monitor this situation. Some agencies will require a \$30.00 upfront demand fee. If the property taxes are suddenly reduced, it could be that the special assessments have been removed, but the recording of the Notice of Intent to Remove Special Assessments was missed.
- Mobile Home "Use Tax" went up as of 4-1-09. Escrow is advised to take care of contact municipalities concerning rates.

Respectfully submitted:

David A Shean, CSEO/CEI/CNSA, Additional EASGV Director