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[PREP Newsletter](#)

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Mortgage Banking Is Ready For A High-Tech Overhaul

excerpted from MortgageOrb (5/30/12)

"For more than a decade, the industry has foretold a day when mortgages will be originated, closed and delivered in a totally electronic lifecycle. Many lenders have achieved portions of this electronic production chain, but the fully realized "end to end" e-mortgage has not happened yet. Reasons for this situation fall along the lines of the following:

- "MISMO hasn't finalized its procedures and standards for electronic originations!";
- "The county clerk offices won't accept electronically signed documents!";
- "Security technology isn't advanced enough to ensure consumer privacy!"; and
- "Uh, the dog ate my homework?"

Obviously, the last statement is a jest, but the image it suggests - shamefaced children grasping at straws for a reason why they had not done what they knew needed to be done - is no joke. Lenders have already incorporated things like online rate searches and online applications, but paper and/or manual processes always seem to be brought back into the mix at some point, because the industry is thinking too small about what it means to originate a loan electronically. It is time to re-examine how consumers secure mortgages and to rethink how the industry constructs the loan production chain. In short, it's time for us to get with the times. Most critics finger exotic loan products and questionable lending practices as the culprits for the 2008 economic meltdown, but these were simply by-products of more systemic issues that enabled those things to occur. Instead, the real culprits were a lack of granular attention to numerous points in the loan production chain where problems could occur, and the extent to which the complexity of the process itself inhibited operational innovation.

For almost 30 years, the industry has been originating loans in roughly the same way. Think about what has changed in that span of time: Would you want your surgeon, for example, to rely on 30-year-old surgical techniques? How about your IT support? Tried and true techniques have their place, but I would argue that our current origination model has been tried and found untrue." ([Read complete article.](#))



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[Bulk Records Access and Cost \(other PRIA Standards and Publications\)](#)

PREP Chapter Meetings



June/July 2012

Metro Minnesota
South Florida
Northern California
Colorado

Coming Soon for PREP Chapter Use - "The Impact of Fraud on the Real Estate Industry" Presentation

We are putting the finishing touches on a useful power-point presentation designed for PREP Chapter use. Earlier this year, Ernst Publishing completed a nationwide survey regarding the state of Land Fraud. This presentation presents these survey results and also allows local PREP Chapters to participate in the survey as well. Stay tuned for the release of this presentation in the next few weeks.



Contact Information

Do you have questions or suggestions on this newsletter or any updated information on co-chairs, emails, phone numbers etc. please contact us:

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News from PREP Chapters

Each PREP Newsletter will highlight one or two PREP Chapters with a brief summary or overview of recent meetings. You can also go to the [PREP Chapter Locator Map](#) and look up all minutes/agendas from each chapter.

In this newsletter, we'll be highlighting these chapters: **Metro Minnesota and Central Florida.**

Metro Minnesota PREP Chapter:

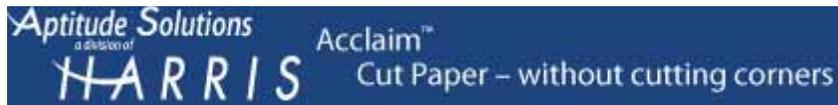
Co-chairs: Government, Timi Bailey at timi.bailey@co.anoka.mn.us and Business, Darlene Missler at dmissler@firstam.com

The Metro Minnesota PREP Chapter met on April 12, 2012. This PREP Meeting agenda included the following items: 1) an ERERC Update including updates on ECRV and EWELL (electronic well certificates); 2) eRecording issues were discussed and a map shared that portrayed the status of all counties in Minnesota that were either doing or in the process of implementing eRecording; 3) Miscellaneous document recording issues including ones around Abstract Examiner and Torrens documents, and eRecording certified copies issues; 4) MLTA updates and their next meeting dates were given, and, 5) next PREP meeting date was set for June 7, 2012. The group also has a new Government Co-chair in Timi Bailey, since Jennifer Wagenius, long time PREP Co-chair for Metro Minnesota has left her post as co-chair. (Thanks for your service Jennifer!) [Read complete minutes.](#)

Central Florida PREP Chapter:

Co-chairs: Government, Justine Winik at justine.winik@brevardclerk.us and Business, Vicki DiPasquale at vicki@simplifile.com

The Central Florida PREP Chapter met on May 15th, 2012. PREP Co-chairs Winik and DiPasquale introduced the audience and speakers. Updates were given from the Clerks in attendance - from Orange and Brevard counties and a presentation was given by the Orange County Comptroller regarding the documentary stamp pilot program. Other presentations given include: 1) the effects of mortgage fraud on underwriting; 2) Strategic mortgage defaults; 3) Erecording; 4) PRIA and PREP Updates, and, 5) the next PREP meeting date was set for August 21, 2012. [Read complete minutes.](#)



PRIA Travels to Memphis

From August 28-30, PRIA will host its Annual Conference at the famed Peabody Hotel to Shake, Rattle and Roll in Memphis. There are lots of registration options available for both PRIA members and non-members, including a special one-day option for those unable to attend all three days.

So, what's in store.....? The conference will jumpstart on Tuesday afternoon, August 28, with a program on **"MERS Done Right," delivered by Professor Dale Whitman**, a speaker who is both challenging and thought-provoking. Professor Whitman served as the Dean of the Law School at University of Missouri from 1982-88. He is one of the nation's experts on property law. The highlight of the Wednesday, August 29, program will be **Bethany McLean, co-author of the highly regarded book on the economy, "All the Devils are Here - The Hidden History of the Financial Crisis,"** with a two-hour program followed by a book-signing during the evening followed by a book-signing during the evening social.

Thursday's program will focus on **"Striving for eRecording eXcellence,"** a theme that has been in the forefront with PRIA for the past year since the eRecording eXcellence Work Group was formed. The entire day will focus on components of eRecording, beginning with a look at the legal aspects and following the eRecording process from beginning to end. This program will have something of interest for those just getting started, as well as those county recorders and vendors who are well along the learning continuum.

And, there's always time for a little fun! In keeping with this year's theme, "All Shook Up," the Tuesday night opening reception will be a 50s themed event complete with a special, mystery guest. Dust off your poodle skirt, polish those black leather shoes, let those sideburns grow and come dressed for the occasion. Prizes will be awarded.

Check out the [preliminary schedule](#) and then make your travel reservations early keeping in mind that the conference dates immediately precede the Labor Day Weekend.

Hotel reservations are now being accepted at The Peabody. Registration materials will be available soon on the [PRIA website](#).

Keep Up With Land Records Issues Across the Country

Almost every day, we post news articles, and PRIA and PREP Chapter information, so feel free to subscribe to both the [PREP Blog](#) and the [PRIA/PREP LinkedIn Group](#) to stay in touch.

Recent Links to National News

[ERecording Comes Into Focus](#)- "Last September, Governor Cuomo ended New York's distinction as the only state that did not allow electronic recording of land records such as deeds and mortgages when electronic recording was signed into law. And on May 22, the New York State Office for Technology (OFT) released proposed rules and regulations which will support electronic recording when it begins in late September of this year."

[Bradford County expands access to records in the Register & Recorder's Office](#) - "The Bradford County Register & Recorder's Office hopes to soon complete the process of making all of its records accessible to any member of the public who has a computer at their home or workplace with Internet access, including marriage licenses, deeds, and gas leases."

[Cost of mortgage fraud tops \\$12 trillion](#) - "Ann Fulmer is a lawyer and a mortgage fraud expert who co-authors the quarterly Interthinx Mortgage Fraud Risk Report. She frequently teaches FBI and Secret Service agents about mortgage fraud. We asked her what's happening with mortgage fraud."

[As 'Fraudclosure' Continues, County Clerks Take Up Cudgel](#) - "Visit the office of John O'Brien, register of deeds in South Essex County, Massachusetts, and he'll eagerly show you stacks and stacks of documents. He calls it [a crime scene](#)."

[Mortgage Applications Soar to Highest Level Since Spring 2009](#) - "With interest rates well below 4% for the week ending June 8, total mortgage applications soared 18% from the previous week, an industry trade group said Tuesday."

The Association for Title Information Management (ATIM) Annual Conference is in Seattle this year

Association for Title Information Management (ATIM) will hold its 27th annual conference at the Seattle Sheraton Hotel on Monday, August 6th and Tuesday August 7th. This conference is unique in that it attracts attendees from all sectors of the title insurance industry to come together and discuss mutual challenges and opportunities in an informal setting. We want to extend a special invitation to county clerks and recorders to join us and offer their unique perspective on the topic of real property records management. Registration information can be found at www.atim.org.

ALTA NEWS: ALTA Testifies With Maryland Title Association on CPLs

At the request of the Maryland Land Title Association (MLTA), ALTA testified alongside the MLTA at the Maryland Senate Finance Committee hearing on Closing Protection Letters (CPLs). Justin Ailes, ALTA's vice president of

legislative and regulatory affairs, discussed national trends of CPLs and the difference between legal title risk and closing or escrow risks.

"There are additional risks beyond traditional title risk that are associated with the closing of real estate transactions," Ailes said. "These risks include the potential for fraud or dishonesty of the closing agent or their failure to follow lenders written closing instructions that affects lien priority or validity of the mortgage. Lenders and insurance regulators have sought additional ways to manage these risks. To meet this demand, the industry developed the closing protection letter to indemnify the lender and/or consumer from these risks."

Nationally, 49 states allow title insurance companies to issue some form of a closing protection letter. Twelve of these states mandate a specific fee or charge to ensure this protection can be offered and premium charges for managing this risk are neither excessive nor inadequate.

Maryland is considering legislation that would clarify the permitted use of CPLs in the state. SB724 would require a title insurer to provide specified closing or settlement protection to a protected party in a specified transaction; requiring the closing or settlement protection to indemnify protected parties against specified actions and failures in connection with specified transactions; requiring domestic title insurers to establish and maintain a specified reserve for specified losses arising from closing or settlement protection.

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