



"WORKING TOGETHER"
Property Records Education Partners
(PREP)



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SIMPLIFYING RECORDS MANAGEMENT NEEDS
FOR GOVERNMENTS AROUND THE WORLD

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New Paper Sheds Light on Extent of Housing Bubble Fraud

excerpted from the [Wall Street Journal 2/20/13](#)



A new paper shows just how common it was for issuers of mortgage-backed securities to misrepresent the quality of the loans backing those bonds at the height of the housing boom.

[The paper](#) authored by Tomasz Piskorski, of Columbia Business School, Amit Seru, of the University of Chicago, and James Witkin, also of Columbia Business School-examined the extent to which loans that were pooled into mortgage-backed securities by private issuers with characteristics that were different from what investors were told they were getting.



Such private-label securities, which weren't guaranteed by federally supported companies [Fannie Mae FNMA -1.40%](#) and [Freddie Mac FMCC -0.69%](#), had some of the worst performing loans issued during the bust.



The upshot of their paper: "Investors obtained information that was false and materially important to the performance of the securities," says Mr. Piskorski.

The paper looks at two types of common misrepresentations. The first concerns loans for properties that were characterized as being owner-occupied when, in fact, the owner didn't plan to live in the house. ([Read complete article.](#))



News from PREP Chapters

PREP Chapter meeting summaries are posted every two weeks. In this Newsletter edition you'll hear from the [North Central Texas PREP Chapter](#).

Please go to [PRIA's PREP webpage anytime to see complete minutes, meeting agendas and dates in your area.](#)

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North Central Texas PREP Chapter:

Co-chairs: Government, Laura Hughes, countyclerk@kaufmancounty.net and Business, Doug Hollowell, doug@integritytc.com

The North Central Texas PREP Chapter held a meeting on 1/10/13. The agenda at this meeting included a discussion lead by Jeff Nicholson, Tarrant County Chief Deputy, on fraudulent documents, adverse possession, recording a document when property isn't located within the proper county, recording foreign documents and the new practice of filing criminal charges against fraudulent filers. Laura Hughes, Kaufman County Clerk (and Chapter Government co-chair) discussed the mission of PRIA and PREP. Doug Hollowell, Integrity Title (and Chapter Business co-chair) discussed a variety of issues regarding recorded document standards, and notary seals and expiration dates. The next PREP Meeting is scheduled for 5/23/13. ([See the PRIA website for complete Chapter minutes.](#))



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PRIA Board Approves Portals White Paper for Publication

The Board of Directors of the Property Records Industry Association (PRIA) has approved for publication the group's most recent White Paper, "[eRecording Portals](#)." This White Paper was produced and submitted by PRIA's Business and Technical Requirements Work Group under the guidance of the Technology Committee.

The purpose of this White Paper is to:

- provide a definition for "portals" in the context of eRecording
- serve as a guide for both public and private organizations considering the creation or initiation of an eRecording portal
- increase the awareness of both the benefits and the responsibilities of using an eRecording portal
- identify the benefits and advantages of working with a portal when compared with the traditional paper-based recording methods
- help Recorders and Submitters become more informed consumers
- demonstrate how eRecording portals help assure Recorders and Submitters that eRecording is a valid, accepted and valuable process

The members of the Business and Technical Requirement Work Group have been developing the content for this White Paper since 2009 and have held multiple open forums for discussion of the content at PRIA's bi-annual conferences and issued drafts for review by the membership. ([See PRIA's website to read complete press release.](#))

Examples of PRIA's Products

- ["The History of Public Records"](#)
- ["The Impact of Fraud on the Real Estate Industry"](#)
- ["How to get Ready for eRecording"](#)
- ["Access to and Sale in Bulk of Land Records"](#)
- [\(other PRIA Standards and Publications\)](#)

PREP Chapter Meetings
March/April 2013

- Colorado
- Central Texas
- Northern California
- Washington State

Contact Information

Do you have questions or suggestions for this newsletter or any updated information on co-chairs, emails, phone numbers, etc. please contact us:
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[Madeleine Nagy](#)
PREP Committee Business Co-Chair, ALTA

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When Land Rights are Secure, the Cycle of Poverty is Broken - Previously Landless Families Receive Land Titles in Odisha, India

excerpted from [Landesa Newsletter 2/4/13](#)

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533 poor tribal families received legal title to plots of land on which they could build a house, grow crops and be secure. These tribal families have lived in the area for generations, but without legal control over the land they farm. They have been vulnerable to land seizures, and lived from season to season without any secure control over the land upon which they depend or any incentive or opportunity to plan for a better future.

Each family received a plot of land about the size of a tennis court. This latest crop of new landowners is part of an ongoing partnership between the state government of Odisha and Landesa. More than 30,000 formerly poor and landless families have benefited thus far. Access to and control over even small plot of land about the size of a tennis court can have a significant impact on family income and mean the difference between hunger and health, education and illiteracy. A significant added benefit for families is access to other government services - such as agricultural extension services, subsidized horticulture starter kits and housing programs - which they gain when they become landowners. ([Read complete article.](#))



Kentucky Court of Appeals rules in favor of MERS

excerpted from [Housing Wire 2/19/13](#)

MERSCORP Holdings noted that a three-judge panel of the U.S. Courts of Appeal for the Sixth Circuit ruled in favor of MERS, its parent company Mortgage Electronic Registration Systems and a number of MERS members.

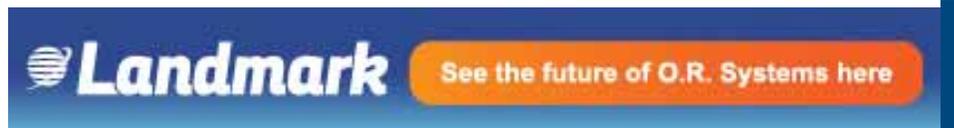
The U.S. Court of Appeals affirmed a U.S. District Court dismissal of a recording fee suit that was filed jointly by Christian and Washington County Clerks in Kentucky.

"It is undisputed that the Kentucky recording statutes... do not expressly provide the Clerks with a cause of action," Circuit Judge Helene N. White wrote on behalf of the panel. "Clerks are not within the class of persons the Kentucky legislature intended to protect under the recording statutes." ([Read complete article.](#))



Newly Elected Recording Officials and new Business Associates

Welcome to the many newly elected recording officials and new business associates out there! We'd like to keep you informed about the many facets of real property records related issues, so [please let us know if we can add you or any interested colleagues](#) to our PREP Newsletter mailing list.



Mortgage Settlement Pays Out Nearly \$45 Billion Nationwide to Date

excerpted from [National Mortgage Professional 2/21/13](#)

The nation's largest mortgage servicers have distributed \$45.83 billion in direct relief to over 550,000 homeowners, or roughly \$82,000 per homeowner as part of the National Mortgage Settlement, according to a progress report released by independent settlement monitor Joseph A. Smith of the Office of Mortgage Settlement Oversight.

Almost one year ago, the Department of Justice, Department of Housing Urban Development (HUD) and 49 state attorney generals reached a landmark agreement with the nation's five largest mortgage servicers to address mortgage loan servicing and foreclosure abuses.

"As we reach the one year anniversary, the latest report marks a major milestone in our efforts to assist struggling homeowners," said HUD Secretary Shaun Donovan. "We have already surpassed our initial expectations and the settlement is testament to the fact that large scale principal reduction can be used as an important tool in our efforts to prevent foreclosures without incurring negative results."

The report demonstrates significant progress on the broadest and most robust principal reduction program in the nation's history. More than \$22.48 billion of the overall completed consumer relief has come in the form of debt forgiveness. Because of the settlement, the principal reduction helps borrowers stay in their homes, lowering monthly payments on over 266,000 loans and actually reducing struggling homeowners' loan balances by more than \$84,000 on average. ([Read complete article.](#))

ALTA NEWS: Implementing ALTA's Best Practices Can Be Used to Prove Professionalism, Grow Business

Since the financial crisis, lenders have focused on reducing settlement risk. Some have considered taking settlement work in-house, while others pondered centralized disbursement. These changes, along with stronger enforcement actions against lenders for the actions of their service providers, have resulted in a new business environment for anyone handling settlements.

Implementation of a set of industry Best Practices developed by ALTA, however, can help title professionals meet these new market demands by proving regulatory compliance and attesting that funds and information are being protected, which could potentially result in increased market share.

After releasing an initial draft in October 2012 and receiving feedback from the Board of Governors, executive committees, membership, lenders and other stakeholders, ALTA has published its enhanced "[Title Insurance and Settlement Company Best Practices](#)" to help ensure the industry's important role in the settlement process.

The standards include seven main categories designed to help members highlight the policies and procedures they and the title industry use to ensure a positive and compliant real estate settlement experience for lenders and consumers.

"These Best Practices are the culmination of work and discussion with agents, underwriters, lenders, regulators and other stakeholders," said Michelle Korsmo, ALTA's chief executive officer. "It is our hope ALTA members can use these best practices as a way of emphasizing to lenders and consumers all the policies and procedures that are followed to reduce settlement risk. For most title professionals the pillars of the Best Practices are not new but current practices need to be updated, enhanced and documented."

Meeting the Best Practices is a voluntary decision by title insurance and settlement companies. ALTA expects that those companies that choose to adopt the policies and procedures will use their compliance as a way to market their businesses. ([Read complete article.](#))

Links to National News

[Appeals Court Sides with MERS in Mortgage Assignment Case](#) - "A three-judge panel of the U.S. Court of Appeals for the Ninth Circuit has affirmed, without hearing, an order dismissing claims against Mortgage Electronic Registration Systems, Inc. (MERS), according to a release from MERSCORP Holdings."

[CFPB Talks QM in Blog Post](#) - "The Consumer Financial Protection Bureau (CFPB) shared some insight into its process and goals for the qualified mortgage (QM) rule it released last month. The post gives loan servicers, industry watchers, and consumers a look at its thinking behind the rulemaking."

[The US is Running Out of Homes to Sell](#) - "Homes available for sale as well as the housing supplies measured in months are now at pre-recession levels, while household formation continues to recover (see post). This development was predicted by William Wheaton back in 2009."

[Fannie Mae: Housing is 'On a Sustained Growth Path'](#) - "While impending fiscal cuts at the federal level will likely put a damper on economic growth in the first half of this year, home-price growth and an increase in homebuilding suggest housing is "on a sustained growth path," according to a monthly economic outlook released today by Fannie Mae's Economic & Strategic Research Group."

Join the PREP Blog or the PREP LinkedIn Group

Almost every day, we post national news articles, and PRIA and PREP Chapter information on the [PREP Blog](#) and the [PRIA/PREP LinkedIn Group](#). You are able

to stay in touch by subscribing to both sites and automatically receiving updates daily or weekly.

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