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Mortgage Fraud Index Hits Five-Year Low

excerpted from [National Mortgage Professional 4/9/13](#)

The holidays took a toll on mortgage fraud prosecutions as the Q4-2012 Mortgage Fraud Index sank to its lowest level in nearly five years. However, the drop appears to have only been temporary. California saw a big improvement, while the dollar volume in Florida spiked. Mortgage Daily tracked activity on 105 mortgage fraud cases totaling \$1.3 billion during the fourth quarter. The actions are chronicled at the mortgage fraud blog FraudBlogger.com and represent activity on mostly criminal cases filed in local, state and federal courts.

It was the fewest number of cases tracked since at least 2007, while the dollar amount hasn't been this low since the first-quarter 2011. Activity fell from 141 cases totaling \$1.7 billion three months earlier and 171 cases totaling \$1.8 billion a year earlier.



News from PREP Chapters

PREP Chapter meeting summaries are posted every two weeks. In this Newsletter edition you'll read about the [Central Florida PREP Chapter](#). (Please go to [PRIA's PREP webpage anytime to see complete minutes, meeting agendas and meeting dates in your area.](#))

Central Florida PREP Chapter:

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

The Central Florida PREP Chapter met on February 19, 2013. The Chapter agenda started with several Central Florida Clerk updates from Orange, Brevard and Lake counties. Following these updates were two presentations: 1)

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In This Issue



"Paperless Initiatives": Holly Vaughan (from the Lake County Clerk of Courts Office) discussed eRecording in Lake County, specifically regarding the eRecording and eFiling programs used in Lake County. Orange County's Kyle Quackenbush discussed eRecording volumes, submitters and promotional materials used in Orange, and Justine Winik from Brevard County relayed the current volumes and eRecording customers in Brevard. All three counties seem to be doing eRecording and eFiling in different ways. The second presentation, "Effects and Overcoming Resistance of Going Paperless", was given by Vicki DiPasquale (Simplifile). She discussed the many facets of change and how to promote it - especially regarding implementing eRecording. (See [Title News](#) article attached.) The next Central Florida PREP Chapter meeting will be held on May 21st. ([Read complete meeting minutes on the PRIA website.](#))



Oneida County, Idaho, Begins eRecording with Simplifile

excerpted from [PR Web 4/9/13](#)

Oneida County, Idaho, is now accepting electronic land documents for recording, a new service provided by national eRecording vendor, Simplifile. The availability of this service enables organizations such as title companies, banks, law firms and real estate offices to save on mailing costs and accelerate the recording process by submitting documents through Simplifile's online eRecording service.

[Northern Title](#) in Malad City was the first to eRecord a document, a deed of trust, in Oneida County using Simplifile. "I am glad that we have the ability to record using Simplifile when we have recordings that cross county and state lines and need to be recorded in multiple counties," said Wendy Rufi, office manager at Northern Title in Malad City. "It will save time and money as we will no longer have to overnight documents to be recorded."

With the addition of Oneida County, nearly 80 percent of all Idaho counties have adopted eRecording with Simplifile, along with more than 895 recording jurisdictions throughout the nation. ([Read complete article.](#))

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Mortgage Servicers' Robosigning Payments Being Sent to Borrowers

excerpted from [Bloomberg 4/9/13](#)

Rust Consulting Inc. will begin sending \$125,000 checks to 1,135 borrowers deemed most harmed by botched foreclosures in 2009 and 2010 that led to a \$9.3 billion settlement between regulators and U.S. mortgage servicers. The

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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

April/May 2013

Metro Minnesota
 New York
 Red River Minnesota
 Northern California
 SW Minnesota
 Central Florida
 North Central Texas

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: [Carolyn Ableman](#)
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 PREP Committee Business Co-Chair, ALTA
 State Government Affairs

consulting firm is distributing \$3.6 billion that servicers including [JPMorgan Chase & Co. \(JPM\)](#) and [Bank of America Corp.](#) agreed to pay to settle claims they improperly seized homes in the wake of the subprime mortgage crisis, according to a statement from the Office of the Comptroller of the Currency and Federal Reserve.

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Payments will begin to go out April 12, with as many as 90 percent of more than 4 million affected borrowers expected to receive their checks this month, according to the regulators. The agencies expect the process to extend into mid-July, and they are still working on payments to borrowers from servicers that had been affiliated with [Goldman Sachs Group Inc. \(GS\)](#) and [Morgan Stanley. \(MS\)](#).

Those at the top of the scale for potential harm will receive \$125,000, and the 2.6 million categorized at the lowest of 11 rungs of potential harm will get \$300, the regulators said. The remainder of the settlement money from the 13 servicers who signed on is meant to be used to prevent future foreclosures. ([Read complete article.](#))



Washington County (NY) Now Accepting Electronic Submissions of Real Estate Documents

Dona Crandall, County Clerk, announced today that Washington County has begun to electronically record ("eRecord") real estate and land use records. Electronic document recording allows recording offices to reduce costs, eliminate payment errors, receive prompt payment, and increase staff productivity. Document submitters also benefit from shorter wait times, fewer document rejections, faster rejection handling, and more secure transmission of documents.

"We're pleased to offer this new benefit to submitters of land records," Crandall states. "We're confident that electronic submitters will experience faster recording of their documents and fewer rejections."

Washington County has partnered with CSC (Corporation Service Company), the only nationwide provider of commercial and residential real estate document recording solutions in both electronic and paper formats. Formerly known as Ingeo Systems, CSC's eRecording division pioneered electronic document recording in the U.S. and was recently recognized for its innovations by the 2012 Mortgage Technology Awards. ([Read complete press release on the PRIA website.](#))



Home Prices Maintain Strength Over Winter for First Time in Seven Years

excerpted from [Mortgage Professional 4/8/13](#)

Clear Capital has released its Home Data Index (HDI) Market Report with data through March 2013. Using a broad array of public and proprietary data sources, the HDI Market Report publishes the most granular home data and analysis earlier than nearly any other index provider in the industry.

"Home prices ended the first quarter of 2013 in a similar fashion to how they started the year, stable and in positive territory," said Dr. Alex Villacorta, director of research and analytics at Clear Capital. "It has been seven years since home price growth continued throughout winter. This is very strong evidence of the start to a new leg of the recovery, one that should give further confidence to consumers and lenders alike that the recovery is real. As buyers become more confident the recovery is sustainable, this sentiment should grow to create a positive feedback loop." ([Read complete article.](#))



ALTA News: Key Provisions of 'Fiscal Cliff' Deal Impacting Real Estate

With Congress passing and President Obama signing into law H.R. 8 (American Taxpayer Relief Act of 2012) to avert the so-called "fiscal cliff," there are several provisions of the legislation that impacts housing ALTA members should know about.

The centerpiece of the measure permanently extends current income and capital gains tax rates for taxpayers with taxable income of up to \$400,000 for individuals and up to \$450,000 for couples. For individuals earning less than \$400,000 and married filing jointly less than \$450,000, marginal tax rates will stay the same as they have been over the last few years. Here's a look at key real estate-related tax provisions included in the legislation:

- **Mortgage Cancellation Relief:** One year extension of the Mortgage Debt Forgiveness Act until Jan. 1, 2014. This should help keep short sale, foreclosure and deed-in-lieu transactions moving. ALTA sent a letter to members of Congress urging for this extension.
- **Mortgage Insurance Premiums:** Itemized deduction for premiums paid for FHA or private mortgage insurance for filers making below \$110,000.
- **Leasehold Improvements:** 15-year straight-line cost recovery for qualified leasehold improvements on commercial properties.
- **Energy Efficiency Tax Credit:** The 10% tax credit (up to \$500) for homeowners for energy improvements to existing homes.
- **Limits on Itemized Deductions:** Rules limiting the value of itemized deductions (Pease Limitations) were permanently repealed for most taxpayers but will be reinstated for individuals earning above \$250,000 adjusted gross income and couples earning more than \$300,000.
- **Capital Gains:** The capital gains rate increased to 20 percent for

high-income earners.

- **Estate Tax:** The estate tax is now subject to a \$5 million exemption in individual estates (\$10 million for family estates) with a tax rate of 40 percent (up from 35 percent).

Additionally, here's a look at how the legislation will impact payrolls in 2013:

- **Income Tax Withholding Rates:** The American Taxpayer Relief Act effectively maintains the reduced income tax rates adopted in 2001 and 2003 for individuals earning up to \$400,000 and families earning less than \$450,000. Income above those levels will be taxed at 39.6 percent, up from 35 percent. The expanded 15 percent bracket for joint filers, commonly referred to as the marriage penalty relief, has also been extended. These tax rates have been extended permanently for wages paid after Dec. 31, 2012.

Employee Social Security Tax Rate Returns to 6.2 Percent: The reduced 4.2 percent rate for employee Social Security taxes that was in effect for 2011 and 2012 has expired. The employee Social Security tax rate will return to 6.2 percent for 2013 wages up to the taxable wage limit of \$113,700. Consequently, employees' net pay under the taxable wage limit will decrease accordingly. The maximum Social Security tax that an employee would pay will be \$7,049.40 for 2013. The Employer Social Security tax rate is unaffected, and remains 6.2 percent of Social Security taxable wages paid.

Links to National News

[U.S. Land Gets More Expensive](#) - "The rebounding U.S. housing market has sparked a sharp rise in land prices, creating big profits for land investors but putting pressure on builders to further increase the price of new homes."

[Survey: 70% of Lenders Believe Housing Recovery is Real](#) - "A new survey of bank risk professionals shows the originations space warming to the idea of expanding home lending."

[Consumer Groups Push States to Strengthen Foreclosure Prevention](#) - "States should require mortgage servicers to negotiate loan terms with borrowers to prevent foreclosure and allow borrowers to pause a foreclosure sale should the servicer violate that requirement, two consumer advocacy groups said in a report released today."

[In the Markets, at Least, Fannie and Freddie Still Astound](#) - "The mortgage giants Fannie Mae and Freddie Mac continue to astound - and not in a very encouraging way."

[Split-the-note legal theory stalls against MERS](#) - "An appellate court in Oregon mirrored other courts by holding that parties subject to foreclosure cannot sue the Mortgage Electronic Registration Systems after a foreclosure is filed just because the note and 'deed of trust' are split apart."

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