



"WORKING TOGETHER"
Property Records Education Partners
(PREP)



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**SIMPLIFYING RECORDS MANAGEMENT NEEDS
 FOR GOVERNMENTS AROUND THE WORLD**

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Why The CFPB Issued Its New Lending Rules

excerpted from the [Mortgage Orb 2/1/13](#)

Just a few years ago, our country went through the greatest financial crisis since the Great Depression. One of the reasons for the collapse was that mortgage borrowers were steered toward high-cost and risky loans they had no real chance of paying back. Lenders did that because it made them more money. The higher the interest rate on the loan or the more the consumer paid in up-front charges, the more the loan originator profited.

Mortgage loan originators perform a variety of valuable services for compensation. They can take mortgage applications from consumers seeking to buy or refinance a home. They can also assist consumers in obtaining or applying for a mortgage loan. They can also offer or negotiate the terms of the loan.

Loan originators include mortgage brokers and loan officers. The Dodd-Frank Act placed certain restrictions on their qualifications and compensation. When the Consumer Financial Protection Bureau inherited the authority to implement these restrictions, we realized that the goal was to bring greater accountability to the mortgage market. To inform our policymaking, we received input from banks, other lenders, mortgage brokers, trade associations, consumer groups, nonprofits, and other government stakeholders. We also convened a small business review panel for input. We heard a great deal about the problems that the new loan originator compensation rules were intended to address. ([Read complete article by Richard Cordray, CFPB Director.](#))



News from PREP Chapters

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

If you'd like to advertise in this newsletter please contact:
cableman@priamail.us

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

Northern California PREP Chapter:

Co-chairs: Theresa Rabe, Government, trabe@smcare.org and Yianni Pantis, Business, ypantis@corelogic.com

The Northern California PREP Chapter held a meeting on 1/28/13. The discussion centered around the Alameda County PREP Conference which will be hosted by Kevin Hing from Alameda County, on either May 1 or May 8, 2013. Potential topics for the conference include: 1) the Threat Assessment Center, 2) Legislation (new bills of interest) and the Real Estate Fraud Fee, 3) the Trustworthy System (Secretary of State), 4) Transfer Tax issues, 5) Discussion of eRecording and mutual problems/solutions. Shasta County also indicated interest in hosting a PREP conference this year. The next meeting/call is scheduled for 2/21/13. ([See the PRIA website for complete Chapter minutes.](#))



PRIA's Winter Symposium: There's Still Time to Make Group Rate Reservations before Deadline on 2/17/13

Planning to attend the February 26 - March 1 PRIA Winter Symposium in Washington, D.C.?

The PRIA room block at the Washington Marriott is filling quickly. The deadline for reserving rooms at the PRIA group rate is February 17. Beginning February 18, any rooms remaining in the PRIA block will be released and available for sale to the general public or to PRIA guests on a first-come, first-served basis at prevailing rates. Rates may increase substantially.

Hotel Reservation Information: Call 202.872.1500 for telephone reservations or visit the PRIA website for the [online option](#).

Questions? Call 919.459.2081 or Email coordinator@pria.us.



China's Big Step in Rural Reform - Mapping Tiny Plots of Farm Land

excerpted from [Reuters 2/6/13](#)

The bare lightbulbs, unheated rooms and elderly residents of the whitewashed village of Yangwang in eastern China make it seem an unlikely place for an experiment in cutting-edge satellite technology. This tiny village in Anhui province was home to a pilot project that for the first time mapped farmers' land holdings,

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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 February/March 2013

- Colorado
- Central Texas
- Metro Minnesota
- Northern California
- Pennsylvania
- SE Minnesota
- 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: [Carolyn Ableman](#) PREP Coordinator [Mark Monacelli](#) PREP Committee Government Co

putting it on the front line of China's efforts to build a modern agricultural sector that can underpin the country's food security - a policy priority for the Communist Party.

The mapping is a tedious but crucial task to make farmers feel more secure about their rights so that they become more willing to merge fields into larger scale farms. It could also help protect them from land grabs by local officials, a leading cause of rural unrest. "If we don't do this now, and the older generation passes away, the next generation won't know which plot is whose," said Pan Shengyu, who oversaw one of Anhui's land titling pilots. "Soon no-one will be able to figure it out."

China's annual rural policy document recently released calls for title to farmland to be defined nationwide over the next five years. It is a technical challenge that could cost \$16 billion. Reforms in the 1980s assigned farmland to households but reserved formal ownership to the village collective. But land certificates are imprecise at best and over half of rural households lack some documentation -- leaving possession dependent upon villagers' knowledge and officialdom's whims. Lessons learned using satellite positioning to map tiny plots of land in Yangwang have been scaled up in other pilot projects in Anhui and elsewhere, with an eye to rolling out the program nationwide.

International Land Systems, a company acquired by Thomson Reuters in July 2011, was involved in the initial pilot project in Yangwang, which sought to find the most cost-efficient mapping method. ([Read complete article.](#))

-Chair, Recorder
St Louis County, Minnesota
[Madeleine Nagy](#)
PREP Committee Business
Co-Chair, ALTA
State Government Affairs

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Alaska's Kodiak Recording District Begins eRecording

Alaska's Kodiak Recording District is now accepting documents online for recording through Simplifile. "Our customers appear to be extremely satisfied with the ease of submitting documents electronically, and we look forward to bringing our other recording districts online with e-recording in the coming months," Alaska State Recorder Vicky Backus said Monday.

Kodiak joins seven other Alaska recording districts, including Anchorage, Bristol Bay, Cordova, Aleutian Islands, Kvichak, Iliamna, and Seward recording districts along with more than 800 additional recording jurisdictions across the U.S. who have integrated with Simplifile to enhance the overall recording process for time-sensitive documents. The Kodiak Recording District covers communities in the Kodiak Island Borough where Sandra Tucker serves as the current district recorder. ([Read complete press release posted on the PRIA website.](#))



We'd Like to Communicate with Your New Colleagues

We know there are many newly elected recording officials and new business associates out there, and we'd like to add them to the PREP Newsletter mailing list. If you'd [share the names/emails of those colleagues](#) with us, we will add them to our distribution list and keep them in the PRIA and PREP loop. Thanks for your help with this.



Money & the Law: The Role of Title Insurance

excerpted from [The Gazette 2/3/13](#)

Title insurance is a unique insurance product in that the insurance company has almost total control over the risks it insures. This is because what the title insurance company insures is the accuracy of its own search of the public records and the correctness of the closing services it provides. Contrast this to the company that insures, say, your car. There the insurance company has no control over people crashing into you, rocks flying through your windshield, carjackings, etc.)

Although claims under title insurance policies are rare, when they occur, the cost of the insurance will prove to have been money well spent. A case decided in 2011 by the Colorado Court of Appeals demonstrates the point.

In this case, Brenda Armijo purchased a house from Kimberly Poladsky. Poladsky had a mortgage on the property that needed to be paid off at the closing. The mortgage was owned by a company called Dakota Lending. However, Dakota Lending had borrowed money from Citywide Bank and had used Poladsky's mortgage as collateral for this loan. Therefore, the original of the promissory note Poladsky had signed was not held by Dakota Lending; it was locked up in a drawer at Citywide Bank. Dakota Lending nonetheless continued to collect the payments on the Poladsky mortgage. And Citywide had not filed anything in the real estate records showing it had an interest in this mortgage.

At the closing of the sale from Poladsky to Armijo, Armijo paid the purchase price to the title insurance company. The title insurance company in turn paid Dakota Lending the amount still owing on the Poladsky mortgage. Dakota Lending should then have paid Citywide, obtained the original promissory note, marked the note paid and sent the note on to the title insurance company so the Poladsky mortgage could be released. Instead, Dakota Lending's owner stole the money.

Since Citywide hadn't been paid and still had the original Poladsky note, it started a foreclosure against Armijo's property. Armijo thereupon filed a claim under her title insurance policy and said: "Fix this please." The title insurance company dutifully went into action to stop the foreclosure and Armijo's problem was over. But the title insurance company's legal work had just begun. ([Read complete article.](#))

Ernst Publishing Awarded U.S. Patent for Search Technology

excerpted from [The Title Report 1/29/13](#)

Ernst Publishing Co., an original PRIA member and provider of technology and closing cost data for the real estate and home finance industries for the past 24 years, announced that the U.S. Patent & Trademark Office has awarded the company a new patent for its "System and Method for Generating and Tracking Field Values of Mortgage Forms," a recording fee and tax calculators system.

The intellectual property is currently built into the firm's Smart Query product suite and is used to provide guaranteed, accurate closing cost figures for Blocks 4-8 of the Good Faith Estimate. Ernst's search tool and closing cost and fee database have been in use in the industry for nearly 24 years.

"We're very proud of our technology and all of the intellectual property we have developed over our 24 years in this business," said Gregory E. Teal, president and chief executive officer of Ernst Publishing. "We expect this patent will provide a high level of confidence to our clients, ensuring them that the technology they rely on for guaranteed accurate pricing is truly an Ernst innovation."

ALTA NEWS: American Land Title Association Names Frank Pellegrini President

The American Land Title Association (ALTA), the national trade association representing members of the land title insurance industry, announced that veteran land title insurance industry professional Frank Pellegrini has been named president for the 2012-2013 year.

"It is a privilege to represent an industry whose purpose is to protect consumers against legal challenges to their homeownership and ensure they receive an efficient and compliant real estate settlement experience," said Pellegrini, founder and chief executive officer of Prairie Title Services Inc. "I am honored to serve as president of a growing and vibrant association, now representing more than 4,100 member companies. The American Land Title Association is committed to constantly improving its representation and service to our industry."

The 11-member ALTA Board of Governors is responsible for creating association policy, managing the financial health of the association and ensuring the overall welfare of the association.

Pellegrini has practiced law and been involved in the title insurance industry since 1976. He joined Chicago Title Insurance Co. in 1978 as an examiner before launching his own law firm, Pellegrini & Cristiano, in 1980. Three years later, he opened Prairie Title with his wife, Mary, in Oak Park, Ill., in response to a recognized need in a niche market area.

In addition to serving on multiple ALTA committees, Pellegrini is a member of the American, Illinois, Chicago and West Suburban bar associations, and the Justinian Society of Lawyers. He served as the 2004-05 president of the Illinois Land Title Association.

"Frank is the right person to lead our association through the challenges we currently face. His talents as a title insurance executive are well regarded throughout the industry and he inspires confidence as we work to better serve consumers," said Michelle Korsmo, chief executive officer of ALTA.

Pellegrini graduated from DePaul University College of Commerce in 1973 with a bachelor's degree in Economics. He earned his juris doctorate from DePaul

University College of Law in 1976. Pellegrini and his wife, Mary, have resided in Oak Park, Ill., for 35 years.

Members of ALTA's 2012-2013 Board of Governors are:

- **President:** Frank Pellegrini (Oak Park, Illinois)
- **President-Elect:** Rob Chapman (Minneapolis, Minnesota)
- **Treasurer:** Peter Birnbaum (Chicago, Illinois)
- **Chair of Finance Committee:** Dan Mennenoh (Galena, Illinois)
- **Agents Section Chair:** Diane Evans (Denver, Colorado)
- **Agents Section Representative:** Bill Burding (Santa Ana, California)
- **Agents Section Representative:** Herschel Beard (Madill, Oklahoma)
- **Underwriters Section Chair:** John Hollenbeck (Santa Ana, California)
- **Underwriters Section Representative:** Steven Day (Jacksonville, Florida)
- **Underwriters Section Representative:** Stewart Morris Jr. (Houston, Texas)
- **Immediate Past President:** Chris Abbinante (Jacksonville, Florida)

Links to National News

[CFPB Asks Servicers to Exercise Caution in MSR Transfers](#) - "The Consumer Financial Protection Bureau is reminding mortgage servicers that they are required to protect consumers during loan transfers between companies."

[Home Prices Rising in More Markets](#) - "The National Association of Realtors reported Monday that the U.S. median home price rose 10% to \$178,900 between the fourth quarter of 2011 and the fourth quarter of 2012."

[FHA and the Future Role of Government in Housing](#) - "The Federal Housing Administration (FHA) was created by Congress in 1934, with America in the throes of the Great Depression. Since its inception, FHA has insured 34 million home mortgages, providing homeownership opportunities to tens of millions of low and moderate income borrowers who might not have otherwise been able to own a home."

[Florida Supreme Court Rules on Controversial Foreclosure Case](#) - "A Florida homeowner lost his bid to get a voluntarily dismissed foreclosure case reinstated for the purpose of showing the initial foreclosure proceeding contained fraudulent documentation. The court's decision is a major one for default attorneys and banks in Florida, especially those dealing with robo-signing or documentation handling issues that were alleged at several major foreclosure law firms a few years ago."

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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