



"WORKING TOGETHER"

Property Records Education Partners (PREP)

PREP Newsletter

Volume 2, mid-September, 2010

Mid-Month PREP Newsletter

You are receiving the first of our shorter version, mid-month PREP Newsletter that we'll send mid-way through each month. The mid-month version will highlight PREP Chapter activities and also include news from the industry, and any other PRIA information that we think you might need to hear about before the end of the month when the full newsletter will be sent!

PREP Chapters - Changing to Meet the Needs in the State or Region

We have had active PREP Chapters across the United States since 2002. Amazingly many of the same chapters are still going strong, but of course people come and go, so many of our early co-chairs and participants have changed or moved. Change of course should occur as needed, so often states will realize that the structure of their chapters need to go regional or possibly in the other direction - to more local chapters. A lot depends upon the state and the current challenges facing both business and government participants.

Like all groups, PREP Chapters need to assess what works best for their membership and geography. Some chapters have elected co-chairs for "terms" - to keep continuity and to rotate responsibility. Others have kept the same co-chairs consistently until a move or new job requires that to change. Some chapters have disbanded so they could merge with a larger regional chapter. And now some states are looking at having regional chapters - maybe with several states participating together. The key to PREP success is to look at how your chapter participants relate now and on what level. Do they have the same issues between counties and/or states? Can either their government or business participants afford to send members to different regions or would they get more participation if they had only one chapter to attend?

While PRIA is hoping to provide consistent communication and support for our wonderful co-chairs and participants in PREP, we realize that it is sometimes hard to keep things going. We find that the successful long term chapters that value their PREP work, keep going year to year - even if occasionally they have no meetings for a period of time. If they pick up the effort again - and hopefully we will be there to support them with new materials, topics, etc. - they can survive and offer their participants a consistent, trustworthy group to go to to keep the dialog open as the industry fluctuates and changes.



In This Issue

- First mid-month PREP Newsletter
- PREP Chapters Change to Meet Local Needs
- PRIA Approves GIS Workgroup
- Mortgage Fraud Article
- PREP Chapter News
- ALTA News
- Contact Us

Newsletter Sponsors



Upcoming PREP Chapter Meetings

- September
- SW Minnesota
- So Central Minnesota
- Missouri
- SE Pennsylvania

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:

A very big thank you to the many state chapters that have done just that over the years! And don't forget to refer to the [PRIA website](#) from time to time to review the basic tools that are out there for you to either start a chapter or to easier maintain your chapters.

E-Recording Made **Simple**



PRIA Approves Formation of GIS Workgroup to Establish Standards between Land Records and GIS Systems

The Board of Directors of the Property Records Industry Association (PRIA) released a press release announcing the formation of a Geographic Information System (GIS) Workgroup, which will fall under the direction of the well-established Technology Committee.

Local, state and federal agencies are concerned with land-related decisions pertaining to real property ownership, land use, taxation, planning and permitting, as well as infrastructure development, public safety, transportation and many other local government functions. GIS is a technology field that incorporates geographical features with tabular data in order to map, analyze, and assess these real-world issues. County recorders collect land records focused on the rights and restrictions that impact real property but the documents collected by recorders also contain spatial data, primarily the address and legal description information, related to the referenced parcel.

Approximately 70 percent of local government offices have incorporated GIS for use in their offices yet, in many cases, GIS is not integrated with the recorders office.

The real untapped potential of government managed land information lies in the ability to integrate the land records within the overall workflow of information in a government office, allowing government to better plan, analyze and provide timely and accurate information. The PRIA GIS Workgroup will collaborate with other GIS interest groups to establish standards, procedures and best practices for data exchange between GIS and land records systems to facilitate the sharing of information and improve performance, security and revenue opportunities. [Click here](#) to see PRIA's press release. And if you have specific questions on this new GIS Workgroup, please contact the PRIA Technology Coordinator at mladd@priamail.us.



For the people that work for the people.

"Mortgage Fraud is on the Rise" from the Wall Street Journal
(Real Estate News)

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You may want to read a recent article sent in by Marc Aronson, one of PRIA's Board of Directors and the President of the Pennsylvania Association of Notaries about Mortgage Fraud. "New data suggests that mortgage fraud - that got tougher to pull off after the collapse of the U.S. real estate market - is returning in a big way."

[Hit this link to read the full article!](#)

PREP Chapter News

SE Minnesota PREP:

Chapter Co-Chairs: Jim Ohly, Business (jim@ohlylaw.com) and Pam Hameister, Government (hameister.pam@co.olmsted.mn.us).

This PREP Chapter has been meeting quarterly and has focused on several topics that are affecting the counties and businesses in Minnesota. Earlier in 2010 the Chapter met and was hosted by both Steele County and Steele County Abstract and the chapter meeting hosted a demo by Jason Parker with the Minnesota Department of Revenue who presented information and a demo on entering an ECRV. Dakota County is in production and Hennepin County is in the testing phase; all counties will adopt eventually and at their own pace. The meeting also hosted Tom Olson who covered the various title claims underwriters are dealing with in the current market. A regular part of their program is centered on touching base with each county in attendance to see what is happening.

The August meeting for SE Minnesota was hosted by Freeborn County and Minnesota Abstract & Title Company. The PRIA supported presentation on Mortgage Fraud (by Ann Raymer, FBI) was the highlight of the August meeting. Another topic of interest was the MRT Requirements on Mortgage Amendments and Modifications from Minnesota Department of Revenue.

Metro Minnesota PREP:

Chapter Co-chairs: Jennifer Wagenius, Government (Jennifer.Wagenius@co.washington.mn.us) and Darlene Missler, Business (dmissler@firstam.com)

The Metro Minnesota PREP is active and meets frequently. Their most recent meeting centered on legislative impacts and updates on the Minnesota Bar's 2011 Agenda, the MLTA - Model Title Act (intended to regulate the title insurance industry), and the MCRA and ERERC - eCRV procedures from the MN Department of Revenue. Handouts are on the PRIA webpage, PREP Chapter/MetroMN that explain the MRT instructions to counties (Mortgage Amendments and Modifications) from the Department of Revenue.

Discussion at their last meeting also centered around assorted topics such as Federal Court documents without wet signatures; notary signatures; PRIA supporting PREP; and torrens certificates in Hennepin County which show the marital status of a couple on the

front when the deed shows no marital status.

Washington State PREP:

Chapter co-chairs: Lisa Goldsworthy, Business (lisa.goldsworthy@acs-inc.com) and the Government co-chair is vacant.

One of the original PREP Chapters, Washington State recently lost both its government and business co-chairs due to new jobs, and recent moves. Fortunately, Lisa Goldsworthy (now with ACS) who also served as the first Washington State government PREP co-chair assumed the role of the Business co-chair. Their most recent meeting in August focused on what the chapter most needs going forward. One of the leading states in eRecording, the Chapter also had first hand experience with using the PRIA privacy white paper to ward off potentially harmful legislation, so they remain a dedicated Chapter that has proven to be a good support for their Washington State Auditor's Association.

ALTA Applauds FHFA for Proposal to Protect Consumers from Dangerous Financial Scheme

The American Land Title Association (ALTA) earned a significant victory as the Federal Housing Finance Board (FHFA) proposed to ban loans by Fannie Mae, Freddie Mac and the Federal Home Loan Banks on property encumbered by private transfer fee covenants (PTF's).

ALTA had sent a letter urging the FHFA to issue guidance against PTFs. In its response, FHFA Acting Director Edward J. DeMarco said private transfer fee covenants run counter to the GSE's mission to increase liquidity, affordability and stability in the nation's housing finance system. "Encumbering housing transactions with fees that may not be properly disclosed may impede the marketability and the valuation of properties and adversely affect the liquidity of securities backed by mortgages on those properties," he said.

The Notice of Proposed Guidance describes concerns that private transfer fees may:

- * increase the costs of homeownership;
- * limit property transfers or render them legally uncertain;
- * detract from the stability of the secondary mortgage market, particularly if such fees will be securitized;
- * expose lenders, title companies and secondary market participants to risks from unknown potential liens and title defects;

* and contribute to reduced transparency for consumers because the fees often are not disclosed by sellers and are difficult to discover through customary title searches, particularly by successive purchasers.

The FHFA's proposal will be open to public comment for 60 days before it is finalized. "We applaud the FHFA for recognizing the growing concern surrounding private transfer fees and the threat they pose to consumers, as well as the negative impact they would have on Fannie Mae, Freddie Mac and Federal Home Loan Bank mortgage purchases," said Kurt Pfothenhauer, chief executive officer of ALTA. "The FHFA made an important decision to protect the future health of the real estate market by providing guidance that Fannie Mae and Freddie Mac will not offer loans on properties with these dangerous fees attached to them."

Developers, in consultation with Wall Street advisers, are attempting to add language to home purchase contracts requiring that a percentage of the sales price be paid to the original corporate owner of a property every time the property is sold, typically for 99 years. The right to collect these Wall Street Home Resale Fees would then be securitized and sold to enrich investors, while stealing equity from homeowners. "This is a just another scheme to enrich Wall Street and third parties at the expense of Main Street and consumers," Pfothenhauer said. This new, controversial financial scheme is facing opposition across the country. At the state level, 18 states already enacted bans or restrictions against the use of this dangerous fee, which steals home equity, lowers home resale values and adds another layer of difficulty to selling a home. The FHA has already stated PTFs violate the U.S. Department of Housing and Urban Development's regulations prohibiting legal restrictions on conveyance and requiring lenders to convey clear marketable title. "These fees provide no service or benefit to homeowners, and raise the costs of homeownership," Pfothenhauer said. "The FHFA recognizes they are simply designed to generate additional revenue for investors at the expense of consumers. Again, we thank DeMarco and the FHFA for taking time to examine and understand this issue and for taking steps to squash a reckless financial scheme before it creates disastrous results."