



"WORKING TOGETHER"

Property Records Education Partners (PREP)

PREP Newsletter

Volume 3, September, 2010

Start a PREP (Property Records Education Partners) Chapter in your Area

Issues and values about property and land affect all of us - as our recent global economic downturn has made very clear. But until recently, with the evolution of an association like PRIA that allows the government and business partners involved to actually TALK to each other - there has been a clear lack of communication. The idea of having PREP Chapters in all states was originally sponsored by some of the major land records industry associations - NACRC, IACREOT, AEA, ALTA - and was specifically designed to be an inexpensive support network to keep communication alive at the local level. We have more work to do in making sure we are communicating with each other. 27 states have one or more PREP Chapters, but we need more. If you are interested in starting a chapter, we'll support you with topic ideas, templates for agendas and invitations, and a website to support your chapter's communications. See ["Let's Get Started"](#)...or contact cableman@priamail.us for more information

A Snapshot of the American Escrow Association (AEA) (by Phyllis Yanagihara, Certified Senior Escrow Officer)

In the beginning, there were attorneys that handled transactions such as buyer's money, lender's money, and seller's real estate conveyance documents while others researched title and wrote "title opinions." In many states, this is still the case, with each party to the transaction represented by their own attorney in addition to possibly a real estate agent. In other states, some attorneys met and created abstract companies which grew into title companies - now common place within the industry. All of these important players had an organization where they shared knowledge with each other: American Bar Association, American Land Title Association and of course, the lenders formed their group called the Mortgage Banker's Association. While these are very important associations little focus was spent on the "settlement" side of the real estate personal property transaction.

To fill this void the American Escrow Association (AEA) was created. Who and what is the AEA? When most industry stakeholders hear "escrow" they usually think reserve accounts for future payment of taxes and insurance. Actually escrow is the process where all requirements of the principals are deposited,



Examples of PRIA's Products

["How to Get Ready for eRecording"](#)

["Privacy and Land Records"](#)

[\(Other PRIA Standards, White Papers and Publications\)](#)

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October

Metro Minnesota

So Florida

California Core Group

Nebraska

Texas - No Central

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:

[Carolyn Ableman](#)
PREP Coordinator

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title issues corrected and buyer funds deposited. Additionally, escrow is the government collection agency for liens placed against property; frequently the party that fields borrower questions regarding loan documents and the "go to" party that everyone in the transaction looks to make it all work. Once everything is in order, the escrow officer/settlement agent orders the recording and disburses funds according to the instructions on file. It can be a formal or informal process. In California, many times, we do not ever meet the clients face to face. In Colorado, they hold round table closings that are common place in other parts of the country. This process varies slightly between states (and even within a state) with respect to acceptable instructions, when they are required, compliance with regulations of their local municipality, state legislation and federal requirements such as the Patriot Act and RESPA/TILA regulations. At the end of the day, however, we are the "neutral third party" protecting documents and funds, doing the title curative work, conducting loan document signing and disbursing the funds when all conditions are met.

This all started in 1924 when 6 "escrow officers" working for banks and title companies decided to get together and discuss some common issues and explore possible solutions. I am proud to say these industry leaders were the nucleus of the Los Angeles Escrow Association. As they continued to gather, and each individual discussed these events with their industry partners, interest was generated and a true statewide organization was created in 1955, called the California Escrow Association.

People moved and/or interacted with their counterparts in nearby states, continuing to share challenges and ideas and ultimately decided that a national group was necessary. In addition to working towards possible standardization of "best practices". For example, what constitutes "closing" of a transaction? In one locale it is the borrower signing lender documents, in another it is the release of the lender funding and in California it is the recordation of the deed or deed of trust.

When the AEA was chartered in 1980, there were 5 member states: California, Arizona, Nevada, Oregon and Washington. Today there are 10 member states, with the addition of Alaska, Hawaii, Nebraska, Colorado, and Montana. We would like to expand membership to settlement agents across the country as well as those allied industries that wish to affiliate themselves. We have many individual associate members throughout the country in states that have not yet created a chapter for inclusion into AEA.

Membership as an active settlement agent/escrow officer is individual in 9 of the 10 states. Only Hawaii has a corporate membership structure. This association works towards sharing knowledge that helps the individual practitioner at their desk and

PRIA PREP Committee Co-Chair
Recorder
St Louis County, Minnesota

[Justin Ailes](#)

PRIA PREP Committee Co-Chair
ALTA, Director of Government
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seeks to work with an allied industry to improve communication and understanding of the settlement process, along with addressing legislative issues that impact the property transfer process.

Individual practitioners of "escrow" fall under many different regulatory bodies, lending, real estate, insurance, bar associations and state corporations. While some individuals are licensed, it is predominantly the companies that are licensed for this practice. Whichever agency licenses us, it's for the primary purpose of safeguarding the consumer's trust funds.

Throughout the years, we have reached out to settlement agents in other states, either for membership or networking. AEA is an original sponsor of PREP and worked with our industry partners to establish and support several state PREP chapters. AEA has provided symposiums in Florida and Minnesota to unite/educate individual practitioners and other stakeholders in AEA's work with MBA on Uniform Closing Instructions. AEA now holds education webinars on RESPA and TILA regulatory changes.

With the help of our legislative advocate, Art Davis, Esq., and our many industry experts, we stand ready to address issues that affect all settlement agents across the United States and provide an educational arm to our related industries regardless of their location.

For more information regarding the American Escrow Association and it's membership and endeavors, I invite you to visit our website, <http://www.a-e-a.org/>.

About the author: Phyllis Yanagihara is an active member of AEA, having served on the original formation committee in 1979 and later serving on the Board of Directors in several capacities. She is Co-Founder of California PREP, serves on the Board of Directors for California Escrow Association and is the 2011 President for Los Angeles Escrow Association. Phyllis runs a mixed property desk at Master Escrow in Glendale, CA and can be contacted at pyanagihara@masterescrow.com.

LINK TO NATIONAL NEWS!

"Meeting Next Week, Bernanke, Fed face tough choices as economic recovery lags"

By Neil Irwin
WashingtonPost Staff Writer
September 15, 2010

"Chairman Ben S. Bernanke and his colleagues at the Federal Reserve are facing their biggest decision since the end of the

financial crisis, confronting a fateful choice this fall whether to take new, exceptional steps to boost the flagging economic recovery. "

[Read full article](#)

"Mortgage Fraud"

"From foreclosure frauds to subprime shenanigans, mortgage fraud is a growing crime threat that is hurting homeowners, businesses, and the national economy. Learn more here about the scope of the problem and our work to combat it." [Read full article](#)

PREP Chapter News

In this Newsletter, read about what [North Central Iowa](#), [Central Lakes Minnesota](#), and [Pennsylvania SE](#) Chapters are doing! [Read full article...](#)

North Central Iowa PREP Chapter:

Kristin Colby, Government co-chair (Winnebago County Recorder) - winnrec@wctatel.net
Business co-chair: vacant

A joint meeting was held in July 2010 with Titonka Savings Bank and the County Recorder from Hancock County hosting. The meeting focused on discussion about Recording forms and various changes to the statewide Ground Water Hazard form issued by the Dept of Natural Resources. The Hancock County Recorder and Winnebago County Recorder presented a joint Power Point presentation on "The Iowa County Recorder and our duties". There was an excellent attendance for this meeting, for the size of the small counties covered by this chapter and over 30 people attended including Bankers, Real Estate agents, and local Attorneys.

Central Lakes Minnesota PREP Chapter:

Tina Peterson, Business co-chair, fishing@runestone.net and Darby Bowen, Government co-chair, darby.bowen@co.pope.mn.us

Central Lakes Minnesota held their last meeting on June 3, 2010 in Alexandria, MN. The agenda included several items: 1) Land Surveying: Mark Jahner from Stoeckel-Jahner Surveying spoke regarding the history of surveying and what constitutes "bad" legal descriptions. He explained the history of monuments, many of which are still used in the recorded field books today, and descriptions (lot and block, metes and bounds, exceptions

(Everyone's Favorite), division lines, and footages or areas). Bad descriptions can be: "tied to the lakeshore", "no basis of bearing", using North (but is that magnetic North or state plane coordinate North or county coordinate North?); 2) RESPA Regulations Re-Cap: still trying to understand the new regulations and how they apply to Lenders and Title Companies; 3) Combination Forms: discussion as to the different types of forms that are recordable as a combination form - i.e. Affidavit of Survivorship for Transfer on Death Deeds, Clearance Certificate, Sheriff's Certificate, and Affidavit of Trustee and Certificate of Trust.

Pennsylvania SE PREP Chapter:

Nancy Becker, Government Co-chair,
NBecker@mail.montcopa.org

Dallys Novarina, Business Co-chair, dallys@dallys.com

The PA Southeast Regional PREP met on 9/21/2010 with over 50 attendees. Topics included the role of the independent title agent, the importance of title insurance to the mortgage industry and an open discussion with the Attorney General's and Insurance Commissioner's office staff. The recent title insurance data call was discussed as well as the role of title insurance and it's agents future. Industry partners talking about and explaining what "appears" to be their differences created a better understanding of the industry and what the government agencies are trying to accomplish.

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

The ALTA Board approved recommendations to revise two existing forms and adopt one new endorsement during a meeting on July 26. These forms are now in a 30-day comment period which will conclude on September 15, 2010. Comments may be submitted in writing and will be reviewed by the Forms Committee before final publication.

The Board approved the recommendation to create an ALTA endorsement 30-06 Shared Appreciation Mortgage for issuance on residential transactions. A shared appreciation mortgage may be used in connection with loan workouts or other finance transactions. This type of mortgage could secure payment of a portion of the appreciation in value of the land. The new ALTA Residential Shared Appreciation Mortgage Endorsement (30-06) is designed for issuance on mortgages covering one-to-four family residences. The Board approved revisions to the Expanded Coverage Residential Loan Policy and the Short Fort Expanded Coverage Residential Loan Policy.

The existing ALTA Expanded Coverage Residential Loan Policy is designed for issuance on mortgages covering one-to-four family residences. The existing Policy was most recently revised 02-03-10. In order to more consistently conform the Expanded Coverage Residential Loan Policy to the existing ALTA Loan Policy (6/17/06), Section 8(a) of the Conditions, concerning the extent of liability, has been amended.

The existing ALTA Short Form Expanded Coverage Residential Loan Policy is designed for issuance on mortgages covering one-to-four family residences. The existing Policy was most recently revised 01-01-08. The existing Policy incorporates, by reference, the ALTA Expanded Coverage Residential Loan Policy (01-01-08). The date reference has been changed to (07-26-10) in order to incorporate the most recently revised version of the ALTA Expanded Coverage Residential Loan Policy. A scrivener's error on the first page will also be corrected, changing "Amount of Insurance" to "Policy Amount" as originally intended.

[Click here](#) to learn more about the Board's actions and how to submit a comment. [Click here](#) to review and download the forms.
