

CLTA News

By the California Land Title Association

..... *A Message* **FROM THE PRESIDENT**



Margaret Foster
LandAmerica Financial Group, Irvine
CLTA President 2007/08

The California Land Title Association is a member supported trade association whose mission is to advance the interests of the California Title Insurance Industry through its public and governmental affairs activities and to serve the needs of its member companies through a variety of member service activities.

Whatever market conditions may exist, the CLTA is committed to representing the interests of the title industry before the Insurance Commissioner and the Legislature. For 100 years the CLTA has kept that commitment, enabling the title industry and its customers to

participate in the long term growth and prosperity of California. I am pleased to continue that tradition as the President of the CLTA.

Although media coverage of the title industry has recently taken a backseat to larger real estate issues, the California title insurance industry still has the attention of Insurance Commissioner Steve Poizner. The CLTA leadership and its members have and are taking steps to assure the Commissioner that the California title industry is both responsive to consumers and competitive.

These are challenging times for the title industry with a down turn in the real estate market and heightened regulatory activity. It is clear that the title industry cannot support the Department of Insurance regulations in their current form. However, our ongoing working relationship with the Department of Insurance has allowed us to clearly communicate this message. In addition we continue to work together to develop options that will preserve and improve the health of the title industry, while providing the Department with the data it needs to regulate the industry.

As an alternative to the current regulatory approach, the CLTA has taken steps to present reasonable

options to continue improving our industry. These steps taken by the CLTA include sponsoring legislation to create a licensing system for title marketing representative. This legislation, Senate Bill 133 (Aanestad), is out of the Senate and pending in the Assembly where it can be acted on early next year.

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PRINT THIS CLTA NEWS EDITION
directly from www.clta.org
under "For Members, Industry News".

CALIFORNIA LAND TITLE ASSOCIATION'S 2007-08 LEADERSHIP

Margaret Foster, Executive Vice President for LandAmerica Financial Group, was elected President of the CLTA for the 2007-08 term. Margaret has served the Association in the past as First Vice President and Board of Governors member.

CLTA OFFICERS

President

Margaret Foster
LandAmerica Financial Group
Irvine

First Vice President

Larry Buster
First American Title Company
Santa Ana

Treasurer

Wayne Shupe
Old Republic Title Company
Oakland

Second Vice President

Roger Jewkes
Fidelity National Financial, Inc.
Santa Barbara

Immediate Past President

Rich Macaluso
Orange Coast Title Company
Santa Ana

2008 CONVENTION

Rancho Bernardo Inn

AT A GLANCE



Registration information will be available in February, 2008

April 27 - 29, 2008

Rancho Bernardo Inn
17550 Bernardo Oaks Drive
San Diego, CA 92128
www.ranchobernardoinn.com

*Annual Shotgun Golf Tournament
to be held on-site on Monday, April 28, 2008*

CLTA Calendar

Committee Meetings

Board of Governors

*November 1, 2007
Burbank Airport Marriott*

Claims Awareness

*Workshop Subcommittee
November 8, 2007
conference call*

Claims Awareness

*Thursday, January 10, 2007
Santa Ana*

Education

*October 24, 2007
Conference Call*

Forms and Practices

*November 15 & 16, 2007
Hotel Zoso
Palm Springs*

Legislative

*October 25, 2007
Hilton Los Angeles North/Glendale*



For details visit www.clta.org
under "Calendar of Events"

ALTA Calendar

2007 ALTA Convention

*October 10-13, 2007
Chicago, IL*

2008 Federal Conference

*March 10-12, 2008
Washington, DC*

Tech Forum 2008

*April 13-15, 2008
Las Vegas, NV*



*For more information on
ALTA's upcoming events visit:
www.alta.org*

CLTA UNVEILS RE-DESIGNED ASSOCIATION WEBSITE

The CLTA's www.clta.org web site has been re-designed from the ground up with both consumers and Association members in mind, and offers a myriad of benefits for both.

The new website includes, among other things, a free-of-charge online Directory of Members, allowing consumers and industry experts alike to locate the title company nearest to them; a compendium of all CLTA

NewsExpress bulletins, which highlight information useful to industry representatives, released in the past year; information on the latest regulatory issues pertaining to and affecting the title industry; and much, much more.

The site's interface has received a major overhaul, and is now significantly more user-friendly and navigable than before.

REMINDER... DISTRESS SALES ARE HIGHLY REGULATED

Homeowner's facing foreclosure and buyers wanting a deal would seem a perfect match. But these matches face obstacles that both buyers and sellers may not fully understand. This is because the California Legislature stepped in a few years ago to crack down on fraud and created a whole new set of laws dealing with the sale of property in foreclosure.

The law provides far-reaching protection to homeowners facing foreclosure. Once a notice of default is filed the law applies and sellers have specific legal protections, including the right to cancel a contract to sell up to five business days after signing a contract to sell the property.

Not only can a seller cancel the contract before the sale but under certain circumstances the owner may rescind the sale within two years if a court finds the sale unconscionable.

In addition, a court may award the seller damages and the purchaser could be criminally prosecuted.

A representative of the seller is also treated harshly if they do not comply with the law. These representatives must have a valid real estate sales license and a bond. Both the purchaser and seller must be given a statement by the representative that they have the license and bond. Failure to comply means the seller may choose to treat the sales contract as void and can seek damages.

There is some relief from all of these pitfalls. If a purchaser is going to use the property as their personal residence or the purchaser is the spouse or blood relative of the homeowner then the law does not apply.

The bottom line in all of this is that both buyers and sellers and their agents should be aware of the law. With all of the attention devoted to sub-prime mortgages and foreclosures it is likely that the failure to strictly comply with the law will lead to serious title problems.

FANNIE MAE WILL SOON REQUIRE 2006 LOAN POLICIES

Mortgage loans sold and delivered to Fannie Mae on and after January, 1 2008 will require 2006 ALTA loan policies according to a recent Fannie Mae announcement. The rule will apply in all states in which the forms are approved for use, which includes California. Fannie Mae has noted that the new ALTA forms offer improved title protection for lenders and Fannie Mae. The improved protection includes expanded insuring provisions and coverage for some post-policy issuance events. The policy also provides title protection for the time between issuance of the policy at closing and the recording of the lien.

CLTA URGES GOVERNOR TO SIGN SENATE BILL 892

The CLTA is asking Governor Arnold Schwarzenegger to sign SB 892 by Senator Ellen Corbett (D-San Leandro). SB 892 would help the state Department of Child Support Services and local child support agencies automate the filing of real property liens against delinquent child support obligors. SB 892 would improve the recordation process, better enabling title companies to collect delinquent child support payments for the benefit of the children and custodial parents who rely on that income. According to official data from the California Department of Child Support Services, the state's title companies have helped collect more than \$330 million of delinquent child support payments since 2002.

NOTARY CHANGES PENDING WITH GOVERNOR

The statutory form of acknowledgement and the statutory form of jurat will be changed to reflect the elimination of reliance on personal knowledge when notarizing documents if the Governor signs AB 886 (Runner). The only grounds to notarize will be verification by satisfactory evidence. Thumbprints will also be required in a notary's journal where the document

being executed is a power of attorney instead of just deeds, quitclaim deed and deeds of trust. In addition, for the first time local law enforcement and prosecutors would be able to enforce the Notaries Public Law and background checks for notaries would be expanded.

PROPERTY RECORDS EDUCATION PARTNERS (PREP) UPDATE

On September 11, 2007, the Property Records Education Partners (PREP) held a regional conference in Auburn, California, which featured a panel discussion on the topic of privacy, public records, and legislation. Craig Page, Executive Vice President and Counsel of CLTA, sat on the panel addressing the group.

Mr. Page discussed how CLTA would like to work more closely with county recorders throughout the state as well as in the State Legislature in Sacramento. Mr. Page pointed out that title companies and county recorders are essentially "business partners" in all 58 counties and that close working relationships developed on a local level should also be reflected in Sacramento when bills affecting both groups are introduced, especially when the bills deal with recordation and privacy.

Because there is currently no effective way to get accurate information to all county recorders about legislation pending in Sacramento, Mr. Page offered to use CLTA as a conduit for sharing information between the title industry and all county recorders. This effort will ensure a more coordinated and thoughtful approach to addressing legislation that affects county recorders, the title industry, and consumer privacy.

