

MLTA CLAIMS PANEL

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Title**



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TOP CLAIMS TRENDS

- ▶ According to an industry survey, the top claims (nationally) by number, not cost are:
 - Closing Errors
 - Searching Errors
 - Boundary and Survey Issues
 - Easement Issues
 - Recording Problems
 - Fraud and Forgery
 - Access
 - Mechanics' Liens

FORGED DOCUMENTS AND LACK OF PROPER AUTHORITY

- ▶ “There can be no such thing as a bona fide holder under a forged deed, whose good faith confers any rights against the party whose name has been forged, or those claiming under him. . . . Where a deed is forged, those innocently acquiring interests under the forged deed are in no better position as to title than if they had purchased with notice.” Special Property VI, LLC v Woodruff, 273 Mich App 586, 591, 730 NW2d 753 (2007).
- ▶ How do you guard against a forged deed in the chain of title?
 - ▶ Red flags:
 - ▶ \$1.00 Quit Claim Deeds
 - ▶ Quick flips
 - ▶ Misspelled names
 - ▶ Lack of title agent
 - ▶ Compare signatures with other recorded documents
 - ▶ Contact the notary


ELIZABETH STREET LOFTS, INC.
BY: DENNIS KEFALLINOS
ITS: PRESIDENT

FORGED DOCUMENTS AND LACK OF PROPER AUTHORITY

- ▶ Entity “Hijacking”
 - ▶ When the seller is a corporation or limited liability company how can you be sure you have the correct person signing the deed?
 - ▶ Check Corporation Bureau records
 - ▶ Ask the seller to provide a copy of SS-4 confirmation letter



IRS DEPARTMENT OF THE TREASURY
INDIVIDUAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 04-16-2018
Employer Identification Number:
12-345679
Form: SS-4
Number of this notice: CP 575 A
For assistance you may call us at:
1-800-829-4933
IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

YOUR BUSINESS NAME HERE
BUSINESS ADDRESS HERE

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 12-345679. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1120 03/15/2018

FORGED DOCUMENTS AND LACK OF PROPER AUTHORITY

► Forged Durable Powers of Attorney

- Anytime a POA is used it should raise a red flag. Proceed carefully and thoughtfully.
- Rule Number 1: Ask why the principal cannot attend the closing.

► Mortgage Fraud - Borrower Impersonation

- The use of quit-claim deeds can be indicative of identity theft.
- Be mindful when you're given a questionable ID or the signatures don't match.

BOUNDARY LINE DISPUTES

- ▶ If the standard survey exception is waived the underwriter could be liable for a subsequent boundary dispute involving the insured property
- ▶ Rule Number 1: Check the GIS



A TO B - B TO C TRANSACTIONS

- ▶ Recent claim: A sold to B, who immediately sold to C the same day. A's interest was subject to a mortgage, which was shown in the title commitment given to B. The title commitment given to C (in advance of the A-B closing) showed B in title and did not disclose the mortgage given by A. The agent neglected to pay off A's mortgage after the A to B closing. The lender ultimately foreclosed and the redemption period lapsed.
- ▶ Pay careful attention to the lender instructions. Many lenders require disclosure of any recent transactions involving the same property.

QUESTIONS AND ANSWERS

